

Registered number: 7975551 (England and Wales)

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

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WIGSTON ACADEMIES TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members	E Abbott M Elton P Osgood J Rixon A Wright
Trustees	G Hall, Chair M Byrne E Coates J Cooke (appointed 9 September 2015, resigned 23 September 2016) I Cox (appointed 1 September 2015, resigned 6 June 2016) A Green, Headteacher (resigned 1 August 2016) C Gore (resigned 26 September 2016) S Lamb K Loydall (appointed 28 September 2016) M Mitchley, Headteacher (appointed 1 August 2016) S Morris P Munro (appointed 23 September 2016) G Swingler
Company registered number	7975551
Company name	Wigston Academies Trust
Registered office	Station Road Wigston Magna Leicester LE18 2DU
Principal operating office	Station Road Wigston Magna Leicester LE18 2DU
Company secretary	C Reeds
Senior management team	A Green, Executive Headteacher (resigned 1 August 2016) M Mitchley, Executive Headteacher (appointed 1 August 2016) A Miller, Head of School I Cox, Head of School S Cox, Head of College (resigned 31 August 2016) M Wilson, Head of College C Reeds, Chief Operating Officer
Independent auditors	Clear & Lane Limited Chartered Accountants 340 Melton Road Leicester LE4 7SL
Bankers	Lloyds Bank Plc 7 High Street Leicester Leicestershire LE1 9FS

WIGSTON ACADEMIES TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Trust operates two Academies for pupils aged 10 to 19 serving a catchment area in Wigston. Wigston Academy has a pupil capacity of 1393 and had a roll of 1206 in the school census on 6th October 2016.

Wigston College has a pupil capacity of 1454 and had a number on roll of 384 at the same date.

STRUCTURE, GOVERNANCE AND MANAGEMENT

● Constitution

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

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

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

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

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

● Members' liability

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

● Trustees' indemnities

In accordance with normal practice the Academy has purchased insurance to protect the Trustees and officers from claims arising from negligent acts, errors and omissions whilst on school business. The cover under the policy is £2,000,000 and in the period under review the sum of £1,183 inclusive of tax was paid (2015 - £1,229).

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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

Trustees are appointed as follows

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

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

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

● **Organisational structure**

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

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

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

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

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

● **Pay policy for key management personnel**

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

● **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 school is a strategic lead partner in a Teaching School Alliance and an Academy Sponsor.

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, eg to take part in visits and to provide suitable help towards uniforms and clothing as necessary. These funds are under the control of the Academy Trust. The funds held by the two connected charities have been included in the results in the Financial Statements.

OBJECTIVES AND ACTIVITIES

● **Objects and aims**

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

● **Objectives, strategies and activities**

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

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

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

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 extra curricular activities, through which children can develop their personal interests and aptitudes.
- the needs of each individual child are known, and that appropriate provision for those needs are available.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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

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

Our Objectives for the period included:

1. Achievement and Standards.

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

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

“How do children learn?”

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

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

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

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

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

5. Views of Stakeholders.

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

● **Public benefit**

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

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

Wigston Academy

KS2 Results 2016

38% of pupils achieved the expected standard in Reading, Writing and Mathematics, with 45 of pupils achieving a high score.

49% of pupils achieved the expected standard in Reading, with 9% achieving a high score.

71% of pupils achieved the expected standard in Writing, with 18% achieving a high score.

50% of pupils achieved the expected standard in Grammar, Punctuation and Spelling, with 8% achieving a high score.

54% of pupils achieved the expected standard in Mathematics, with 8% achieving a high score.

Progress Measures: KS1 to KS2

Academic Results at Key Stage 2 have met the progress target in Reading, Writing and Mathematics

38% of pupils met the 100 scaled score in Reading, Writing and Maths. The floor target was 65%.

Reading, Writing and Mathematics attainment	38% of pupils achieved the expected standard
	4% of pupils achieved a high score
Progress measures: KS1 to KS2	
Reading progress measure	94%
Reading % of pupils achieving expected standard	49%
Reading % of pupils achieving a high standard	9%
Writing progress measure	96%
Writing % of pupils achieving expected standard	71%
Writing % of pupils working at greater depth within expected	18%
Grammar, punctuation & spelling % of pupils achieving expected standard	50%
Grammar, punctuation & spelling % of pupils achieving a high standard	8%
Mathematics progress measure	96%
Mathematics % of pupils achieving expected standard	54%
Mathematics % of pupils achieving a high standard	8%

Progress for English, Maths and Science across Key Stage 3 remains high (1.87 levels of progress from Key Stage 2 to 3).

Attainment at the end of Key Stage 3 – 2016			
	L5+	L6+	L7+
English	86	52	13
Maths	89	74	37
Science	89	62	29

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Wigston College

New national accountability measures are being put into place for 2016.

At GCSE these will be:

- Progress 8
- Attainment 8
- The percentage of students achieving a grade C or above in English and Maths
- The percentage of students achieving the EBacc

Former accountability measures such as 5A*-C in E&M will be phased out.

Comparisons to previous years are therefore limited. Below are the un-validated preliminary results based on 2015 accountability measures;

Key Stage 4

GCSE	
5A*-C	54%
5A*-C E&M	45%
5A*-G	98%
1A*-G	100%
English progress	63%
Maths progress	60%

Key Stage 5

A Level	
APS (Entry)	187
APS (Student)	711
1+ A*-E	95.6%

Key Achievements

- The Attainment gap between Pupil Premium and Non pupil Premium students is narrowing at Key Stage 4
- Increased focus on Pupil Premium students through mentoring and whole college approaches
- Increased and further embedding of CPD and Sharing of Best Practice across the campus

● **Going concern**

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

FINANCIAL REVIEW

● **Financial review**

The academy had a net negative movement in funds for the year ended 31 August 2016 of £2,055,282 including fixed assets movements. As at 31 August 2016 the academy held £1,101,476 of unrestricted reserves plus £499,857 of unspent (non-fixed asset) restricted funds. The academy therefore held combined unrestricted and non-fixed asset restricted funds, being its available reserves of £1,601,333.

The academy trust had a pension deficit on their Local Government Pension Scheme of £5,967,000 at 31 August 2016 and a fixed asset reserve of £25,345,531 (being the book value of past purchases £25,345,057 plus £474 of unspent capital grants.)

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

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

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

● **Reserves policy**

The trustees have developed a reserves policy for the school which is reviewed at least annually. The academy needs to hold reserves to allow for contingencies such as unfunded building repairs, unexpected staffing costs and to allow for some uncertainty in future government funding. The trustees have determined that the appropriate level of free reserves, which it considers to be unrestricted funds plus unspent General Annual Grant (GAG), should be approximately one months expenditure of the annual budget, being approximately £880,000.

Actual free reserves plus unspent GAG as at 31 August 2016 were £1,167,133 (excluding from this figure are designated reserves of £247,621, being £97,621 towards the school's capital works programme and £150,000 towards the eventual replacement of the All Weather Pitch). The current level of free reserves are considered appropriate for the Trust at this stage as excess reserves above target will be used as a buffer to reduce the financial impact of reducing rolls over the next year and as a contribution to capital building works. The academy also held other available restricted funds at the year end of the year of £186,579 plus designated funds of £247,621 with respect to an All Weather Pitch fund and a Capital Works fund. Total available reserves at 31 August 2016 were £1,601,333. Cash at bank at 31 August 2016 was £407,385 higher than total available reserves due principally to building works costs paid after the year and other accruals timing adjustments.

At 31 August 2016 the academy's fixed asset reserve of £25,345,531 represented £25,345,057 of funds which could only be realised if the assets were sold, plus £474 of unspent capital grants.

The only reserve in deficit at the year end was the pension reserve (deficit of £5,967,000) which will be addressed via contribution rates decided on from time to time by the pension scheme actuaries. This deficit has arisen, as with many other schemes of this type, mainly due to increased life expectancies and reduced investment returns.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

● **Investment policy and performance**

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

● **Principal risks and uncertainties**

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

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

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

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

At 31 August 2016 the pension deficit on the Local Government Pension Scheme stood at £5,967,000 for the 3 Academies (31 August 2015 £4,282,000). The Academy has mitigated its risk in relation to this pension scheme by taking out insurance against early retirement on the grounds of ill health. Changes in contribution rates as decided upon by the actuaries of the scheme are budgeted for as soon as they are known, when they are updated every three years.

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

PLANS FOR FUTURE PERIODS

● **Future developments**

The Trustees intend to continue their current strategies of maintaining the School'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.

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. We intend to further, develop the fabric and facilities of the Academies with plans focused on expansion of the Trust's capital programme. Future plans also include partnership working both locally and nationally, expansion of the Trust, and being part of the DfE's sponsorship programme.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

We have a planned programme of maintenance and investment for the school 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. In partnership with the LA, we have begun a major capital build programme on the campus to improve educational facilities on the site for the children which will be completed by 2017.

Funds held as custodian

The Academy does not hold any such funds on behalf of any organisations other than with respect to the 2 controlled charities referred to on page 4 and note 30 to the financial statements.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

Auditors

The auditors, Clear & Lane Limited, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating the Strategic Report, was approved by order of the Board of Trustees as the company directors, on 12 December 2016 and signed on the board's behalf by:

G Hall
Chair of Trustees

WIGSTON ACADEMIES TRUST
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GOVERNANCE STATEMENT

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of trustees' responsibilities. The Board of Trustees has formally met 14 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
G Hall, Chair	14	14
M Byrne	9	14
E Coates	10	14
J Cooke	10	14
I Cox	10	14
A Green, Headteacher	14	14
C Gore	8	14
S Lamb	13	14
S Morris	13	14
G Swingler	10	14

Governance reviews:

The academy intends to conduct a self evaluation review or an external review annually. A review is due in the year ended August 2017.

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

Since the formation of the Multi Academy Trust, all finance matters have been dealt with at Full directors meetings – see above for attendance at these meetings.

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GOVERNANCE STATEMENT (continued)

Review of Value for money

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

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

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

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Wigston Academies Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

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

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

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GOVERNANCE STATEMENT (continued)

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On an annual basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The governing body has considered the need for a specific internal audit function and has decided to appoint an internal auditor. 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 EFA's requirements. There were no material control issues as a result of the Internal Auditors work during the year.

Review of Effectiveness

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

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

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

Approved by order of the members of the Board of Trustees on 12 December 2016 and signed on their behalf, by:

G Hall
Chair of Trustees

M Mitchley
Accounting Officer

WIGSTON ACADEMIES TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Wigston Academies Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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

M Mitchley
Accounting Officer

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as governors of Wigston Academies Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/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 12 December 2016 and signed on its behalf by:

G Hall
Chair of Trustees

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

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

We have audited the financial statements of Wigston Academies Trust for the year ended 31 August 2016 which comprise the statement of financial activities incorporating income and expenditure account, the balance sheet, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of Trustees and auditors

As explained more fully in the statement of trustees' responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2016 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 2015 to 2016 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report, incorporating the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Luke Turner ACA FCCA (senior statutory auditor)

for and on behalf of

Clear & Lane Limited

Chartered Accountants
Statutory Auditors

340 Melton Road
Leicester
LE4 7SL
Date:

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 10 February 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, 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 2015 to 31 August 2016 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 EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Wigston Academies Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Wigston Academies Trust and the EFA, 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 auditors

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 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

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

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Luke Turner ACA FCCA (senior statutory auditor)

for and on behalf of

Clear & Lane Limited

Chartered Accountants
Statutory Auditors

340 Melton Road
Leicester
LE4 7SL

Date:

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:					
Donations & capital grants:					
Transfers on existing academies moving into the trust	2	-	-	-	17,736,967
Other donations and capital grants	2	-	1,463,003	1,463,003	198,628
Charitable activities	5	11,246,468	-	11,246,468	6,882,950
Other trading activities	3	197,074	-	197,074	101,139
Investments	4	4,365	1,370	5,735	3,022
TOTAL INCOME	201,439	11,247,838	1,463,003	12,912,280	24,922,706
EXPENDITURE ON:					
Raising funds	174,561	-	-	174,561	72,385
Charitable activities	-	11,867,222	1,548,101	13,415,323	7,709,665
TOTAL EXPENDITURE	174,561	11,867,222	1,548,101	13,589,884	7,782,050
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS/(LOSSES)					
	26,878	(619,384)	(85,098)	(677,604)	17,140,656
Net gains/(losses) on investments	13	-	3,322	-	3,322
	-	3,322	-	3,322	(2,141)
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS					
	26,878	(616,062)	(85,098)	(674,282)	17,138,515
Transfers between funds	18	(67,194)	56,982	10,212	-
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES					
	(40,316)	(559,080)	(74,886)	(674,282)	17,138,515
Actuarial gains/(losses) on defined benefit pension schemes	23	-	(1,381,000)	-	(1,381,000)
	-	(1,381,000)	-	(1,381,000)	249,000
NET MOVEMENT IN FUNDS	(40,316)	(1,940,080)	(74,886)	(2,055,282)	17,387,515
RECONCILIATION OF FUNDS:					
Total funds brought forward	1,141,792	(3,527,063)	25,420,417	23,035,146	5,647,631
TOTAL FUNDS CARRIED FORWARD	1,101,476	(5,467,143)	25,345,531	20,979,864	23,035,146

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 7975551

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	12		25,345,057		25,404,177
Investments	13		37,559		34,237
			<u>25,382,616</u>		<u>25,438,414</u>
CURRENT ASSETS					
Stocks	14	7,519		19,105	
Debtors	15	840,406		507,611	
Cash at bank and in hand		2,008,718		2,110,167	
		<u>2,856,643</u>		<u>2,636,883</u>	
CREDITORS: amounts falling due within one year	16		<u>(1,202,647)</u>	<u>(642,761)</u>	
NET CURRENT ASSETS			<u>1,653,996</u>		<u>1,994,122</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>27,036,612</u>		<u>27,432,536</u>
CREDITORS: amounts falling due after more than one year	17		<u>(89,748)</u>	<u>(115,390)</u>	
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>26,946,864</u>		<u>27,317,146</u>
Defined benefit pension scheme liability	23		<u>(5,967,000)</u>	<u>(4,282,000)</u>	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>20,979,864</u></u>	<u><u>23,035,146</u></u>	
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted income fund	.18	499,857		754,937	
Fixed asset fund	18	25,345,531		25,420,417	
			<u>25,845,388</u>	<u>26,175,354</u>	
Restricted funds excluding pension liability			<u>25,845,388</u>	<u>26,175,354</u>	
Pension reserve		(5,967,000)		<u>(4,282,000)</u>	
Total restricted funds			<u>19,878,388</u>	<u>21,893,354</u>	
Unrestricted income funds	18		<u>1,101,476</u>	<u>1,141,792</u>	
TOTAL FUNDS			<u><u>20,979,864</u></u>	<u><u>23,035,146</u></u>	

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2016

The financial statements were approved by the Trustees, and authorised for issue, on 12 December 2016 and are signed on their behalf, by:

G Hall, Chair
Chair of Trustees

The notes on pages 24 to 49 form part of these financial statements.

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash used in operating activities	20	(55,564)	(377,673)
Cash flows from investing activities:			
Dividends and interest received		5,735	3,022
Purchase of tangible fixed assets		(1,488,981)	(201,966)
Capital grants from DfE/EFA and other capital income		1,463,003	192,328
Cash transferred on existing academies moving into the trust		-	1,805,770
Acquired fixed asset investments on existing academies moving into the trust		-	(36,378)
Net cash (used in)/provided by investing activities		(20,243)	1,762,776
Cash flows from financing activities:			
Repayments of Salix loan		(25,642)	(12,821)
Cash inflows from Salix loan		-	196,000
Net cash (used in)/provided by financing activities		(25,642)	183,179
Change in cash and cash equivalents in the year		(101,449)	1,568,282
Cash and cash equivalents at 1 September 2015		2,110,167	541,885
Cash and cash equivalents at 31 August 2016		2,008,718	2,110,167

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

First time adoption of FRS 102

These financial statements are the first financial statements of Wigston Academies Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Wigston Academies Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations to previous UK GAAP for the comparative figures are included in note 28.

1.2 FUND ACCOUNTING

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

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education Funding Agency.

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

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

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

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

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

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

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

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

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

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 are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities costs are those 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.

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.5 GOING CONCERN

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

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

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

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

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of 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 buildings	-	4% Straight line
Leasehold land (125 year lease)	-	Over 125 years
Assets under construction	-	Not depreciated
Fixtures, fittings and equipment	-	15% Straight line
Computer equipment	-	25% Straight line

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.7 INVESTMENTS

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

1.8 OPERATING LEASES

Rentals under operating leases are charged to the statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.9 STOCKS

Stocks are valued at the lower of cost and net realisable value.

1.10 TAXATION

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

1.11 CASH AT BANK AND IN HAND

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

1.12 LIABILITIES AND PROVISIONS

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

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

WIGSTON ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.13 PENSIONS

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.14 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

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

Defined benefit pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible assets

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Transfers on existing academies moving into the trust	-	-	-	-	17,736,967
Capital donations	-	-	201,171	201,171	6,300
Capital grants	-	-	1,261,832	1,261,832	192,328
Subtotal	-	-	1,463,003	1,463,003	198,628
Total donations and capital grants	-	-	1,463,003	1,463,003	17,935,595

In 2015, of the total income from donations and capital grants, £913,166 was to unrestricted funds and £17,022,429 was to restricted funds

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Hire of facilities	108,260	-	108,260	48,233
Fundraising income	-	-	-	2,025
Other income	1,038	-	1,038	-
Recharged staff salaries	-	-	-	2,200
Headteacher consultancy fees	-	-	-	13,332
Tiger tots income	79,707	-	79,707	33,092
Bar income	8,069	-	8,069	2,257
	<u>197,074</u>	<u>-</u>	<u>197,074</u>	<u>101,139</u>

In 2015, of the total income from other trading activities, £101,139 was to unrestricted funds and £ NIL was to restricted funds.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Dividends received	-	1,302	1,302	771
Bank interest received	4,365	68	4,433	2,251
	<u>4,365</u>	<u>1,370</u>	<u>5,735</u>	<u>3,022</u>

In 2015, of the total investment income, £2,251 was to unrestricted funds and £ 771 was to restricted funds.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	9,935,330	9,935,330	6,016,395
Other DfE/EFA grants	-	512,862	512,862	385,174
	-	<u>10,448,192</u>	<u>10,448,192</u>	<u>6,401,569</u>
Other government grants				
Local Authority grants	-	381,354	381,354	273,367
	-	<u>381,354</u>	<u>381,354</u>	<u>273,367</u>
Other funding				
Other grants	-	24,559	24,559	35,623
Catering income	-	392,363	392,363	172,391
	-	<u>416,922</u>	<u>416,922</u>	<u>208,014</u>
	-	<u><u>11,246,468</u></u>	<u><u>11,246,468</u></u>	<u><u>6,882,950</u></u>

In 2015, of the total income from charitable activities, £ *NIL* was to unrestricted funds and £6,882,950 was to restricted funds.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

6. CHARITABLE ACTIVITIES

	Total funds 2016 £	Total funds 2015 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teaching and educational support staff costs - salaries	6,190,965	3,932,031
Teaching and educational support staff costs - NI	507,478	283,875
Teaching and educational support staff costs - pensions	1,164,869	649,321
LGPS pension interest cost (£310,000) less return on assets (£149,000)	161,000	82,000
Educational supplies	304,899	171,704
Examination fees	141,781	129,906
Staff development	34,812	15,088
Educational consultancy	57,938	34,847
Other direct costs	286,749	140,887
Staff restructuring costs	70,891	-
Depreciation	560,567	333,253
Technology costs	1,257	7,546
	9,483,206	5,780,458
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support staff costs - salaries	1,282,550	744,228
Support staff costs - NI	67,207	31,230
Support staff costs - pensions	229,247	127,166
Staff restructuring costs	7,673	-
Recruitment	-	3,000
Maintenance of premises and equipment	184,119	159,561
Cleaning	35,249	19,494
Rates	116,160	80,039
Insurance	138,194	125,831
Depreciation	186,856	111,084
Catering	268,760	137,998
Bank interest and charges	6,462	3,001
Loss on disposal of fixed assets - on demolition	800,678	-
Other support costs	279,274	158,245
Security and transport	33,438	16,583
Technology costs	55,890	44,882
Energy costs	218,280	115,344
Governance	22,080	51,521
	3,932,117	1,929,207
	13,415,323	7,709,665

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

7. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on raising funds	132,482	-	42,079	174,561	72,385
Educational Operations:					
Direct costs	8,192,848	560,567	729,791	9,483,206	5,798,803
Support costs	1,590,753	1,468,949	872,415	3,932,117	1,910,862
	<u>9,916,083</u>	<u>2,029,516</u>	<u>1,644,285</u>	<u>13,589,884</u>	<u>7,782,050</u>

In 2015, of the total raising funds expenditure, £72,385 was to unrestricted funds and £NIL was to restricted funds.

In 2015, of the total educational operations expenditure, £NIL was to unrestricted funds, £7,265,328 was to restricted funds and £444,337 to restricted fixed asset funds.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

8. STAFF COSTS

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	7,586,648	4,725,973
Social security costs	579,637	316,126
Operating costs of defined benefit pension schemes	1,412,589	781,817
	<u>9,578,874</u>	<u>5,823,916</u>
Supply teacher costs	258,645	129,248
Staff restructuring costs	78,564	-
	<u>9,916,083</u>	<u>5,953,164</u>

Staff restructuring costs comprise:

	2016	2015
	£	£
Redundancy payments	78,565	-

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

	2016	2015
	No.	No.
Teachers	138	145
Administration and support	241	225
Management	6	4
	<u>385</u>	<u>374</u>

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

	2016	2015
	No.	No.
In the band £60,001 - £70,000	3	2
In the band £90,001 - £100,000	1	0
In the band £110,001 - £120,000	1	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff members amounted to £69,287 (2015 - £32,951).

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £564,135 (2015: £279,282).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

9. CENTRAL SERVICES

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

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

The academy charges for these services on the following basis:

5% of GAG funding

The actual amounts charged during the year were as follows:

	2016	2015
	£	£
Wigston Academy	280,253	-
Wigston College	212,582	-
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
Total	492,835	<hr style="border-top: 1px solid black;"/>
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

10. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 3 Trustees (2015 - 5) in respect of defined benefit pension schemes.

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

A Green (Headteacher and Trustee) (resigned 1 August 2016)
 Remuneration £105,000 - £110,000 (11 month period) (2015: £105,000 - £110,000)
 Employer's pension contributions £15,000 - £20,000 (2015: £15,000 - £20,000)

M Mitchley (Headteacher and Trustee) (appointed 1 August 2016)
 Remuneration £5,000 - £10,000 (1 month period) (2015: £NIL)
 Employer's pension contributions £0,000 - £5,000 (2015: £NIL)

I Cox (Staff Trustee) (appointed 1 September 2015, resigned 6 June 2016)
 Remuneration £50,000 - £55,000 (2015: £NIL)
 Employers pension contributions £5,000 - £10,000 (2015: £NIL)

During the year, no Trustees received any benefits in kind (2015 - £NIL).
 During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £1,183 (2015 - £1,229).

12. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Leasehold land and buildings £	Assets under construction £	Fixtures, fittings and equipment £	Computer equipment £
COST					
At 1 September 2015	16,998,515	8,648,119	-	491,521	237,704
Additions	94,222	244,914	1,117,128	24,333	8,384
Disposals	-	(913,321)	-	-	-
At 31 August 2016	<u>17,092,737</u>	<u>7,979,712</u>	<u>1,117,128</u>	<u>515,854</u>	<u>246,088</u>
DEPRECIATION					
At 1 September 2015	662,398	117,944	-	121,444	69,896
Charge for the year	364,828	260,376	-	69,747	52,472
On disposals	-	(112,643)	-	-	-
At 31 August 2016	<u>1,027,226</u>	<u>265,677</u>	<u>-</u>	<u>191,191</u>	<u>122,368</u>
NET BOOK VALUE					
At 31 August 2016	<u>16,065,511</u>	<u>7,714,035</u>	<u>1,117,128</u>	<u>324,663</u>	<u>123,720</u>
At 31 August 2015	<u>16,336,117</u>	<u>8,530,175</u>	<u>-</u>	<u>370,077</u>	<u>167,808</u>

	Total £
COST	
At 1 September 2015	26,375,859
Additions	1,488,981
Disposals	(913,321)
At 31 August 2016	<u>26,951,519</u>
DEPRECIATION	
At 1 September 2015	971,682
Charge for the year	747,423
On disposals	(112,643)
At 31 August 2016	<u>1,606,462</u>
NET BOOK VALUE	
At 31 August 2016	<u>25,345,057</u>
At 31 August 2015	<u>25,404,177</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

12. TANGIBLE FIXED ASSETS (continued)

Included in freehold land and buildings is land with a cost of £1,482,000 (2014 - £695,000) which is not depreciated. The leasehold land and buildings are held on a 125 year lease with the Local Authority. The cost of the freehold land and buildings and leasehold land and buildings was arrived at in the period ended 31 August 2013 using the EFA standard valuation on a depreciated replacement cost basis provided to the academy. This provided a value for the land and buildings as at the date of conversion.

Assets under construction consists of building works in progress to develop and merge the school sites.

The disposal of leasehold land and buildings relates to the part demolition of Trust buildings during the site development.

13. FIXED ASSET INVESTMENTS

	Listed securities £
MARKET VALUE	
At 1 September 2015	34,237
Revaluations	3,322
	37,559
At 31 August 2016	36,378
HISTORICAL COST	36,378

14. STOCKS

	2016 £	2015 £
Classroom and other materials	7,519	19,105
	7,519	19,105

15. DEBTORS

	2016 £	2015 £
Trade debtors	18,169	29,584
VAT recoverable	210,119	163,016
Prepayments and accrued income	612,118	315,011
	840,406	507,611
	840,406	507,611

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FOR THE YEAR ENDED 31 AUGUST 2016**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Other loans	67,789	67,789
Trade creditors	34,060	143,278
Other taxation and social security	178,154	155,348
Other creditors	180,622	92,278
Accruals and deferred income	742,022	184,068
	1,202,647	642,761
	2016 £	2015 £
DEFERRED INCOME		
Deferred income at 1 September 2015	63,037	23,409
Resources deferred during the year	204,861	63,037
Amounts released from previous years	(63,037)	(23,409)
	204,861	63,037

Included within deferred income are amounts received in advance for trips which take place after the year end £26,900 (2015 - £55,110), rates funding received in advance for £nil (2015 - £5,665), Condition Improvement Fund (CIF) income towards new windows which has been matched to work completed £177,961 (2015 - £NIL), and other income received in advance £NIL (2015 - £2,262).

**17. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2016 £	2015 £
Other loans	89,748	115,390
	89,748	115,390
Included within the above are amounts falling due as follows:		
	2016 £	2015 £
BETWEEN ONE AND TWO YEARS		
Other loans	25,642	25,642
	25,642	25,642
BETWEEN TWO AND FIVE YEARS		
Other loans	64,106	89,748
	64,106	89,748

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

18. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
DESIGNATED FUNDS						
School's capital works programme	97,621	-	-	-	-	97,621
All weather pitch	125,000	-	-	25,000	-	150,000
	<u>222,621</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>247,621</u>
UNRESTRICTED FUNDS						
General Funds	919,171	201,439	(174,561)	(92,194)	-	853,855
Total Unrestricted funds	<u>1,141,792</u>	<u>201,439</u>	<u>(174,561)</u>	<u>(67,194)</u>	<u>-</u>	<u>1,101,476</u>
RESTRICTED GENERAL FUNDS						
	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General Annual Grant (GAG)	678,724	9,935,331	(10,357,759)	56,982	-	313,278
Pupil Premium	-	444,635	(333,900)	-	-	110,735
Other DfE/EFA grants	-	68,225	(65,757)	-	-	2,468
Local Authority grants	-	381,354	(381,354)	-	-	-
Other grants	26,500	24,560	(31,160)	-	-	19,900
Abington High School Trust Fund	6,300	48	-	-	-	6,348
Guthlaxton College Foundation Fund	43,413	1,322	(929)	-	3,322	47,128
Other income	-	392,363	(392,363)	-	-	-
Pension reserve	(4,282,000)	-	(304,000)	-	(1,381,000)	(5,967,000)
	<u>(3,527,063)</u>	<u>11,247,838</u>	<u>(11,867,222)</u>	<u>56,982</u>	<u>(1,377,678)</u>	<u>(5,467,143)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

18. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
DfE/EFA capital grants	158,028	43,330	(32,649)	-	-	168,709
Transfer from Local Authority	24,561,716	-	(1,415,258)	-	-	23,146,458
Capital expenditure from GAG	563,914	-	(99,135)	10,212	-	474,991
Local Authority income	136,759	1,112,428	-	-	-	1,249,187
Local Authority donation	-	201,171	(671)	-	-	200,500
Condition Improvement Fund (CIF)	-	106,074	(388)	-	-	105,686
	<u>25,420,417</u>	<u>1,463,003</u>	<u>(1,548,101)</u>	<u>10,212</u>	<u>-</u>	<u>25,345,531</u>
Total restricted funds	<u>21,893,354</u>	<u>12,710,841</u>	<u>(13,415,323)</u>	<u>67,194</u>	<u>(1,377,678)</u>	<u>19,878,388</u>
Total of funds	<u><u>23,035,146</u></u>	<u><u>12,912,280</u></u>	<u><u>(13,589,884)</u></u>	<u><u>-</u></u>	<u><u>(1,377,678)</u></u>	<u><u>20,979,864</u></u>

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

Designated Funds

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

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

Restricted Funds

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

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

The other DfE/EFA restricted funds grants consists of Year 7 Catch Up funding, PE Teacher grant, National College for Leadership Schools and 16-19 Bursary for Vulnerable Students. The closing balance relates to the unspent funding for the 16-19 Bursary for Vulnerable Students all other income was fully spent.

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

Other grants includes to grants received from other organisations and includes various small grants from Thomas Estley Learning Alliance (TELA) grant, University of Leicester, Leicestershire Schools Music Services, EMI grant and the Royal Opera House. All these grants were fully spent in the year. The balance

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

carried forward at 31 August 2016 is the unspent income received from the Cadet Bursary Fund of £19,400 and a School Council Grant of £500.

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

The 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/EFA 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 £474.

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

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

The Local Authority income is from Leicestershire County Council as 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 is refurbishment works carried out in classrooms at the Wigston College. The closing balance relates to the net book value of these works concerned.

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

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £	Total 2015 £
Wigston Academy	1,125,314	912,956
Wigston College	475,921	983,773
Central Services	98	-
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	1,601,333	1,896,729
Restricted fixed asset fund	25,345,531	25,420,417
Pension reserve	(5,967,000)	(4,282,000)
	<hr/>	<hr/>
Total	20,979,864	23,035,146
	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

18. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2016 £	Total 2015 £
Wigston Academy	4,648,171	684,096	130,026	979,601	6,441,894	4,708,519
Wigston College	3,289,710	841,041	174,874	801,528	5,107,153	2,417,803
Central Services	254,964	198,101	-	39,671	492,736	-
	<u>8,192,845</u>	<u>1,723,238</u>	<u>304,900</u>	<u>1,820,800</u>	<u>12,041,783</u>	<u>7,126,322</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	-	-	25,404,177
Fixed asset investments	-	37,559	-	37,559	-
Current assets	1,101,476	1,754,693	474	2,856,643	2,636,883
Current liabilities	-	(1,202,647)	-	(1,202,647)	(642,761)
Liabilities due in more than one year	-	(89,748)	-	(89,748)	(115,390)
Pension scheme liability	-	(5,967,000)	-	(5,967,000)	(4,282,000)
	<u>1,101,476</u>	<u>(5,467,143)</u>	<u>25,345,531</u>	<u>20,979,864</u>	<u>23,035,146</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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

	2016	2015
	£	£
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(674,282)	17,138,515
Adjustment for:		
Depreciation charges	747,423	444,337
Interest and dividends received	(5,735)	(3,022)
Loss on the sale of fixed assets	800,678	-
Decrease/(Increase) in stocks	11,586	(9,155)
(Increase)/decrease in debtors	(332,795)	104,042
Increase/(Decrease) in creditors	559,886	(298,236)
Capital grants from DfE and other capital income	(1,463,003)	(192,328)
Defined benefit pension scheme cost less contributions payable	143,000	91,000
Defined benefit pension scheme finance cost	161,000	82,000
Land, buildings, assets and liabilities on existing academies moving into the trust	-	(21,121,967)
Pension scheme deficit on existing academies moving into the trust	-	3,385,000
Gains/(losses) on investments	(3,322)	2,141
Net cash used in operating activities	<u>(55,564)</u>	<u>(377,673)</u>

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016	2015
	£	£
Cash in hand	<u>2,008,718</u>	<u>2,110,167</u>
Total	<u><u>2,008,718</u></u>	<u><u>2,110,167</u></u>

22. CAPITAL COMMITMENTS

At 31 August 2016 the academy had capital commitments as follows:

	2016	2015
	£	£
Contracted for but not provided in these financial statements	<u><u>2,287,033</u></u>	<u><u>-</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £97,639 were payable to the schemes at 31 August 2016 (2015 - 84,831) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £856,187 (2015 - £453,937).

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

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23. PENSION COMMITMENTS (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £528,000 (2015 - £306,000), of which employer's contributions totalled £411,000 (2015 - £237,000) and employees' contributions totalled £117,000 (2015 - £69,000). The agreed contribution rates for future years are 21.4 - 22.4% for employers and 5.5 - 12.5% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.00 %	3.70 %
Rate of increase in salaries	3.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.10 %	2.60 %
Inflation assumption (CPI)	2.10 %	2.60 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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

	2016	2015
Retiring today		
Males	22.2	22.2
Females	24.3	24.3
Retiring in 20 years		
Males	24.2	24.2
Females	26.6	26.6

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	3,667,000	2,532,000
Bonds	917,000	806,000
Property	458,000	422,000
Cash	51,000	77,000
	<hr/>	<hr/>
Total market value of assets	5,093,000	3,837,000
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £149,000 (2015 - £80,000).

Expected returns on assets are calculated as follows:-

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

Asset model

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

Key subjective assumptions are:

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

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

	2016	2015
	£	£
Current service cost (net of employee contributions)	(554,000)	(328,000)
Net interest cost	(161,000)	(82,000)
	<hr/>	<hr/>
Total	(715,000)	(410,000)
	<hr/> <hr/>	<hr/> <hr/>

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

	2016	2015
	£	£
At 1 September	8,119,000	1,889,000
Current service cost	554,000	328,000
Interest cost	310,000	162,000
Employee contributions	117,000	69,000
Actuarial losses/(gains)	2,094,000	(423,000)
Liabilities assumed in a business combination	-	6,211,000
Benefits paid	(134,000)	(117,000)
	<hr/>	<hr/>
At 31 August	11,060,000	8,119,000
	<hr/> <hr/>	<hr/> <hr/>

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

	2016	2015
	£	£
At 1 September	3,837,000	916,000
Return on plan assets (excluding net interest on the net defined pension liability)	149,000	80,000
Actuarial gains and (losses)	713,000	(174,000)
Employer contributions	411,000	237,000
Employee contributions	117,000	69,000
Assets acquired in a business combination	-	2,826,000
Benefits paid	(134,000)	(117,000)
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At 31 August	5,093,000	3,837,000
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

Sensitivity analysis

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

Change in assumptions as at 31 August 2016:	Approximate % increase to Employer Liability	Approximate monetary amount £
0.5% decrease in Real Discount Rate	13%	1,451,000
1 year increase in member life expectancy	3%	332,000
0.5% increase in the Salary Increase Rate	4%	467,000
0.5% increase in the Pension Increase Rate	9%	941,000

24. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
AMOUNTS PAYABLE:		
Within 1 year	-	2,965
	<u> </u>	<u> </u>

25. RELATED PARTY TRANSACTIONS

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

The wife of M Elton, a member of the Trust, is employed by Wigston Academy as a technician. The wife of I Cox who was a Trustee of the Trust until 6 June 2016 is also employed by Wigston Academy as an Assistant Head. The son of C Reeds, the chief operating officer, was employed by Wigston Academy for 6 weeks during the year as a learning support assistant. The wife of A Jones, a school governor at Wigston College, is employed by Wigston College as a cleaner. The roles of these members of staff employed by the Trust are all paid at the standard level for their role.

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

26. CONNECTED CHARITIES

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

27. MEMBERS' LIABILITY

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

28. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014 £	31 August 2015 £
Total funds under previous UK GAAP		23,035,146	5,647,631
Total funds reported under FRS 102		<u>23,035,146</u>	<u>5,647,631</u>

Reconciliation of net income	Notes	31 August 2015 £
Net income previously reported under UK GAAP		-
Change in recognition of LGPS interest cost	A	39,000
Net movement in income reported under FRS 102		<u>39,000</u>

Explanation of changes to previously reported funds and net income/expenditure:

A - Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income. Under FRS102 a net interest expense, based on the net defined benefit liability, is recognised in expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to income by £39,000 and increase the debit in other recognised gains and losses in the SOFA by an equivalent amount.