

Company Registration Number: 07975551 (England & Wales)

WIGSTON ACADEMIES TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

WIGSTON ACADEMIES TRUST
(A Company Limited by Guarantee)

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WIGSTON ACADEMIES TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	E Abbott M Elton A Wright J Cooke
Trustees	P Munro, Chair ¹ M Bryne (resigned 1 March 2020) ¹ E Coates ¹ C Gore ¹ S Lamb G Swingler N Green ¹ ¹ Finance Committee
Company registered number	07975551
Company name	Wigston Academies Trust
Principal and registered office	Station Road Wigston Magna Leicester LE18 2DU
Company secretary	C Reeds
Senior management team	M Mitchley, Executive Headteacher and Accounting Officer M Wilson, Headteacher M Astill, Director of Finance and Operations (resigned March 2020) S Allen, Director of Finance and Operations (appointed August 2020)
Independent auditors	Magma Audit LLP Chartered Accountants Unit 2, Charnwood Edge Business Park Syston Road Cossington Leicestershire LE7 4UZ
Bankers	Lloyds Bank Plc 7 High Street Leicester Leicestershire LE1 9FS

WIGSTON ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

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

The Academy Trust has undergone considerable change in leadership since 2016 when a new Executive Headteacher was appointed. In September 2017 a full time substantive Headteacher was appointed to replace the interim Headteacher at the Academy. Both the Executive Headteacher and Headteacher are serving OFSTED Inspectors and both have a track record of school improvement. Under their leadership Wigston College went from special measures to an OFSTED rating of good and outcomes for students improved dramatically. The pre-school was inspected by OFSTED in April 2018 and retained and enhanced its good rating. Wigston Academy was inspected in September 2018 and was judged as requiring improvement but with good leadership and management as well as good personal development, behaviour and welfare. Consequently, in the tenure of the new CEO, each establishment has been inspected and leadership and management is judged good in all provisions. The Executive Headteacher has considerable experience as a Headteacher in other settings. There have been three Directors of Finance and Operations since 2019 with the current post-holder joining the Trust in August 2020.

The two Academies that the Academy Trust comprises are for pupils aged 11 to 19 serving the catchment area of Wigston. Wigston Academy has a pupil capacity of 1,560 and had a roll of 1,375 in the school census on 5 October 2019. Wigston College has a pupil capacity of 920 and had a number on roll of 209 at the same date. Students at both academies have significantly higher levels of deprivation as well as significantly lower levels of prior attainment than national.

Structure, governance and management

• Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum of Association is the primary governing document of the Academy Trust.

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

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

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

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

● **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 Trust has purchased insurance to protect the Trustees and officers from claims arising from negligent acts, errors and omissions whilst on school business. The cover under the policy is £3,000,000 and in the period under review the sum of £1,298 inclusive of tax was paid (2019 £1,308).

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

Trustees are appointed by Members via recommendation from the Board of Trustees. The Board of Trustees seek to recommend Trustees who have the relevant background and experience to complement the skill set of existing Trustees. Parents are eligible to become Trustees but members of staff are not except for the Executive Headteacher who is the Chief Executive Officer.

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

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

● **Organisational structure**

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

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

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

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

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

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

● **Trade union facility time**

Relevant union officials

Number of employees who were relevant union officials during the year	-
Full-time equivalent employee number	1

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	1
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	835	
Total pay bill	7,841,907	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

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

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

● **Objects and aims**

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

● **Objectives, strategies and activities**

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

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

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

To achieve these aims, we strive to ensure that;

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

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

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

Our Objectives for the period included:

1. Achievement and Standards.
 - at Key Stage 3, 4 and 5.
 - 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

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

“How do children learn?”

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

- Learning Reviews.
 - Sharing best practice.
 - Teacher assessment and the use of data – targeted intervention.
 - Teacher and support staff roles remodelling.
2. Personal Development and wellbeing – extending participation, health education, PSHCE review, review of trips and visits/home study, community engagement, attendance, School Council.
 3. Quality of Provision – extend partnership working (LSL and Nct – 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.

COVID-19 has had an unprecedented impact on the Trust and both its schools. The Government closed all schools in March 2020 to all students except the vulnerable and those whose parents were key workers. Our schools remained open for these groups, even opening on each of the Bank Holidays. Learning switched to remote learning and additionally every single child in the Trust had direct communication (through phone call, Zoom, or such like, or home visit) at least three times during the closure period. For our most vulnerable children we contacted them as above weekly. We made sure that students without IT equipment were given access to it and we were given 23 laptops as per the Government scheme. Schools were reopened to Year 10 and Year 12 in June 2020 and were then almost immediately closed due to another local lockdown. This happened nowhere else in the country and puts our students at a significant disadvantage. During this time the Trust implemented a robust health and safety risk assessment based on the Local Authority template and agreed with Trade Unions externally and in-house. Whilst we believe that our safeguarding continued and continues to be effective, there was a detrimental impact to our students' education socially and academically.

● **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 2020

Objectives and activities (continued)

Strategic report

Achievements and performance

• **Key performance indicators**

KS4 Overview Analysis

Wigston Academy – Results 2020 (Unvalidated)

All grades are based on centre assessed grades as a result of the cancellation of the 2020 exam season due to COVID-19. The Trust's process was robust and contained several layers of quality assurance. It was agreed by Trustees in May 2020. Government league tables have been suspended, consequently there is no contextual data available for 2020.

Key Stage 4 outcome headlines in historical context

	2018		2019		2020		Comparison 2020 v 2019	WAT 3 yr Trend	WAT - Nat (Diff) last 3 yrs
	WAT	Nat.	WAT	Nat.	WAT	Nat.			
Average Point Score (APS)	3.55	4.66	3.65	4.68	4.14		0.49		
Progress 8	-0.62	-0.20	-0.46	-0.03	0.16		0.62		
Attainment 8	35.50	46.50	36.54	46.82	41.36		4.82		
% EBacc Grade 5	7.9	16.8	7.0	17.2	6.9		-0.1		

Key Stage 5 outcome headlines in historical context

	2018			2019			2020			Comparison 2020 v 2019	WAT 3 yr Trend	WAT - Nat (Diff) last 3 yrs
	WAT (cohort)	WAT	National	WAT (cohort)	WAT	National	WAT (cohort)	WAT	National			
L3 Overall	(107)	22.6 (D+)	31.0 (C)	(100)	27.7 (C-)	31.9 (C+)	(101)	33.2 (C+)		5.5		
Academic	(107)	22.6 (D+)	31.0 (C)	(97)	27.8 (C-)	31.9 (C+)	(97)	35.0 (C+)		7.2		
A level	(107)	22.5 (D+)	30.8 (C)	(97)	28.0 (C-)	31.9 (C+)	(96)	35.2 (B-)		7.2		
Applied General	(6)	23.3 (M)	30.9 (D-)	(22)	24.8 (M)	30.6 (D-)	(32)	23.4 (M=)		-1.4		

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

● **Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. Despite the global pandemic which was ongoing at the balance sheet date and subsequently, there are no material uncertainties over the Academy Trust's ability to continue as a going concern. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Financial review

● **Financial review**

The Academy Trust had a net decrease in funds for the year ended 31 August 2020 of £259,608 including fixed asset movements but excluding pension reserve movements. As at 31 August 2020 the Academy Trust held £582,653 of unrestricted reserves less a deficit of £343,189 of unspent (non fixed asset) restricted funds. The Academy Trust therefore has a surplus of unrestricted and non fixed asset restricted funds, being its available reserves of £239,464.

The Academy Trust had a pension deficit on their Local Government Pension Scheme of £6,764,000 at 31 August 2020 and a fixed asset reserve of £26,603,174 (being the book value of past purchases £26,544,273 plus £58,901 of unspent capital grants).

Over the past three years the Trust has reported a deficit, however The Executive Headteacher and Trustees have worked vigorously on a recovery plan to reduce the overall deficit and will continue to work to restore the reserves to target. Despite this and the global pandemic, there are no other significant factors going forward that are expected to impact on the normal continuing operation of the Academy Trust, as core funding from both the Government and Local Authorities is currently expected to continue. The principle financial management policies adopted in the period are included in the Academy Trust's internal financial policies and are typical for an Academy Trust of this size and type. There were no unusual significant events worthy of comment during the year.

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

● **Reserves policy**

The Trustees have developed a reserves policy for the school which is reviewed at least annually. The Academy Trust needs to hold reserves to allow for contingencies such as unfunded building repairs, unexpected staffing costs and to allow for some uncertainty in future government funding. The Trustees have determined that the appropriate level of free reserves, which it considers to be unrestricted funds plus unspent General Annual Grant (GAG), should be approximately one month's expenditure of the annual budget, being approximately £814,000. The Trustees have considered the impact of COVID-19 and consider there is no effect on the target reserves policy.

Actual free reserves plus unspent GAG as at 31 August 2020 were at a deficit of £15,675. Excluded from this figure are designated reserves of £175,000 towards the eventual replacement of the All Weather Pitch and other available restricted funds amounting to £80,139. The current level of free reserves is not considered appropriate for the Trust at this stage. The Academy Trust has liaised with the ESFA over the past three years and continues to work on a Financial Recovery plan to reduce deficits by the year 2020/21. Total available revenue reserves at 31 August 2020 were in surplus by £239,464. Cash at bank at 31 August 2020 was £317,429 higher than total available reserves due principally to £58,901 of unspent capital funds, £56,922 of income received in advance, £34,217 of unpaid trade creditors and £257,160 of unpaid PAYE and pension liabilities at the year end plus other accruals timing adjustments.

At 31 August 2020 the Academy Trust's fixed asset reserve of £26,603,174 represented £26,544,273 of funds which could only be realised if the assets were sold, plus £58,901 of unspent capital grants.

At the year end was a deficit the pension reserve (deficit of £6,764,000) which will be addressed via contribution rates decided on from time to time by the pension scheme actuaries. This deficit has arisen, as with many other schemes of this type, mainly due to increased life expectancies and reduced investment returns.

● **Investment policy**

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

● **Principal risks and uncertainties**

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

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

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

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

At 31 August 2020 the pension deficit on the Local Government Pension Scheme stood at £6,764,000 for the 2 schools (31 August 2019 - £6,703,000). The Academy Trust has mitigated its risk in relation to this pension scheme by taking out insurance against early retirement on the grounds of ill health. Changes in contribution rates as decided upon by the actuaries of the scheme are budgeted for as soon as they are known, when they are updated every three years.

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

Fundraising

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

COVID-19 has severely limited the Trust's fundraising abilities in terms of these charities. It has also had a profound effect on our income generation. From March until July, income from the canteens, our Tiger Tots pre-school, our lettings and from our sports division was sharply reduced.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

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

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

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

The Trust has been working closely with the ESFA on a recovery plan. It has exceeded targets and the Trust has been congratulated by DfE staff working with us. The support plan process comes to an end in August 2021 when the Trust is expected to continue into surplus.

The Trust is urgently looking at provision for lettings, the pre-school and the sports division to see how it can mitigate the negative effect of COVID 19 on income.

In terms of student performance, Trust leaders have been enhancing mental health education provision and planning for exploiting the Catch Up premium for students in in 2020–2021 to mitigate the negative impact that COVID-19 has had on their education.

Funds held as custodian on behalf of others

The Academy Trust does not hold any such funds on behalf of organisations. Transactions and balances relating to the controlled charities referred to on page 4 and note 29 to the financial statements are incorporated in the financial statements.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Funds held as custodian on behalf of others (continued)

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

Auditors

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 18 January 2021 and signed on its behalf by:

P Munro
Chair of Trustees

WIGSTON ACADEMIES TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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 7 times during the year. Due to COVID-19, these meetings have been a mixture of virtual and in person sessions but the Board as well as members and governors have continued to discharge their functions during the pandemic.

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

Trustee	Meetings attended	Out of a possible
P Munro, Chair	6	7
M Bryne	2	2
E Coates	7	7
C Gore	5	7
S Lamb	7	7
G Swingler	6	7
N Green	5	7

In attendance

M Mitchley, Executive Headteacher

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

The Academy Trust conducts a self-evaluation review or an external review annually. The next review is due in the year ended August 2021. The 2018 Academy Trust inspection rated governance '... a strength.

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

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
P Munro, Chair	3	4
E Coates	4	4
C Gore	3	4
N Green	1	1
M Mitchley, Executive Headteacher	4	4

Review of value for money

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

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

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Wigston Academies Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

WIGSTON ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The Board of Trustees has considered the need for specific internal audit function and has decided to appoint Leicestershire County Council's Internal Audit Service as internal auditor.

The reviewer's role includes giving advice on financial and other matters and performing a range of checks on the Academy Trust's financial systems. In particular, the checks carried out in the current period included:

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

On an annual basis, the reviewer reports to the Board of Trustees through the finance committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities.

The latest internal audit visit was in November 2020. 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 ten weekly basis. The responsible officers' role is undertaken by the Internal Auditors with the responsible officer function being fully delivered in line with the ESFA's requirements. There were no material control issues as a result of the Internal Auditors work during the year.

Review of effectiveness

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

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

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

WIGSTON ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Board of Trustees on 18 January 2021 and signed on their behalf by:

P Munro
Chair of Trustees

M Mitchley
Accounting Officer

WIGSTON ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Wigston Academies Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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

M Mitchley
Accounting Officer

Date: 18 January 2021

WIGSTON ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 18 January 2021 and signed on its behalf by:

P Munro
Chair of Trustees

WIGSTON ACADEMIES TRUST
(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of Wigston Academies Trust (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

WIGSTON ACADEMIES TRUST
(A Company Limited by Guarantee)

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

WIGSTON ACADEMIES TRUST
(A Company Limited by Guarantee)

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

Luke Turner ACA FCCA (Senior Statutory Auditor)

for and on behalf of

Magma Audit LLP

Chartered Accountants

Statutory Auditors

Unit 2, Charnwood Edge Business Park

Syston Road

Cossington

Leicestershire

LE7 4UZ

21 January 2021

WIGSTON ACADEMIES TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 22 August 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Wigston Academies Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Wigston Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Wigston Academies Trust's funding agreement with the Secretary of State for Education dated 1 April 2012 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- on a sample basis testing transactions and balances.
- making enquires of the Academy Trust regarding systems and controls in place that are relevant to our regularity conclusion.
- on a sample basis reviewing records for evidence of those systems and controls in operation.

WIGSTON ACADEMIES TRUST
(A Company Limited by Guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Magma Audit LLP

Chartered Accountants

Statutory Auditors

Unit 2, Charnwood Edge Business Park

Syston Road

Cossington

Leicestershire

LE7 4UZ

Date: 21 January 2021

WIGSTON ACADEMIES TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	-	-	204,624	204,624	424,731
Charitable activities	4	-	9,027,674	-	9,027,674	8,730,277
Other trading activities	5	183,423	-	-	183,423	259,503
Investments	6	461	1,887	-	2,348	1,770
Total income		183,884	9,029,561	204,624	9,418,069	9,416,281
Expenditure on:						
Raising funds		154,346	-	-	154,346	186,740
Charitable activities		-	9,176,809	917,022	10,093,831	10,453,144
Total expenditure	7	154,346	9,176,809	917,022	10,248,177	10,639,884
Net gains on investments		-	1,500	-	1,500	2,344
Net income/ (expenditure)		29,538	(145,748)	(712,398)	(828,608)	(1,221,259)
Transfers between funds	19	(21,540)	21,540	-	-	-
Net movement in funds before other recognised gains/(losses)		7,998	(124,208)	(712,398)	(828,608)	(1,221,259)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	26	-	508,000	-	508,000	(1,752,000)
Net movement in funds		7,998	383,792	(712,398)	(320,608)	(2,973,259)
Reconciliation of funds:						
Total funds brought forward		574,655	(7,490,981)	27,315,572	20,399,246	23,372,505
Net movement in funds		7,998	383,792	(712,398)	(320,608)	(2,973,259)
Total funds carried forward		582,653	(7,107,189)	26,603,174	20,078,638	20,399,246

The notes on pages 28 to 60 form part of these financial statements.

WIGSTON ACADEMIES TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07975551

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	26,544,273	27,221,498
Investments	15	48,380	46,880
		<u>26,592,653</u>	<u>27,268,378</u>
Current assets			
Debtors	16	253,104	258,185
Cash at bank and in hand		556,893	318,921
		<u>809,997</u>	<u>577,106</u>
Creditors: amounts falling due within one year	17	(560,012)	(730,417)
Net current assets / liabilities		<u>249,985</u>	<u>(153,311)</u>
Total assets less current liabilities		<u>26,842,638</u>	<u>27,115,067</u>
Creditors: amounts falling due after more than one year	18	-	(12,821)
Net assets excluding pension liability		<u>26,842,638</u>	<u>27,102,246</u>
Defined benefit pension scheme liability	26	(6,764,000)	(6,703,000)
Total net assets		<u><u>20,078,638</u></u>	<u><u>20,399,246</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset fund	19	26,603,174	27,315,572
Restricted income fund	19	(343,189)	(787,981)
		<u>26,259,985</u>	<u>26,527,591</u>
Restricted funds excluding pension liability	19	26,259,985	26,527,591
Pension reserve	19	(6,764,000)	(6,703,000)
Total restricted funds	19	<u>19,495,985</u>	<u>19,824,591</u>
Unrestricted income funds	19	<u>582,653</u>	<u>574,655</u>
Total funds		<u><u>20,078,638</u></u>	<u><u>20,399,246</u></u>

The financial statements on pages 24 to 60 were approved by the Trustees, and authorised for issue on 18 January 2021 and are signed on their behalf, by:

WIGSTON ACADEMIES TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07975551

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

P Munro
Chair of Trustees

The notes on pages 28 to 60 form part of these financial statements.

WIGSTON ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	<i>2019</i> £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	296,439	<i>(309,740)</i>
Cash flows from investing activities	23	(32,825)	<i>113,601</i>
Cash flows from financing activities	22	(25,642)	<i>(25,642)</i>
Change in cash and cash equivalents in the year		237,972	<i>(221,781)</i>
Cash and cash equivalents at the beginning of the year		318,921	<i>540,702</i>
Cash and cash equivalents at the end of the year	24, 25	556,893	<i>318,921</i>

The notes on pages 28 to 60 form part of these financial statements

WIGSTON ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. Despite the global pandemic which was ongoing at the balance sheet date and subsequently, there are no material uncertainties over the Academy Trust's ability to continue as a going concern. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

WIGSTON ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income (continued)

- **Other income**

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

- **Transfer on conversion**

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

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

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

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.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

WIGSTON ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.6 Taxation

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

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

1.7 Tangible fixed assets

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

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

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

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

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

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

WIGSTON ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.9 Debtors

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

1.10 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.

1.11 Liabilities

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

1.12 Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

WIGSTON ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.14 Pensions

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

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

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

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

1.15 Fund accounting

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

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

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

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

Transfers between funds and between categories of funds i.e. restricted, designated and unrestricted funds are not only processed with due regard to grant terms, agreement of funders (where applicable) and due process where formal Trustees' resolutions are required, Full disclosures are given in the notes to the accounts for any transfers processed.

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

WIGSTON ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Critical accounting estimates and areas of judgment

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

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

Defined benefit pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and physical condition of the assets. See note 14 for the carrying amount of the property plant and equipment, and note 1.7 for the useful economic lives for each class of assets.

3. Income from donations and capital grants

	Restricted fixed asset funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Capital grants	204,624	204,624	424,731
	<hr/>	<hr/>	<hr/>
<i>Total 2019</i>	424,731	424,731	
	<hr/>	<hr/>	

WIGSTON ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. Funding for the Academy Trust's educational operations

	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	7,641,901	7,641,901	7,579,323
Other DfE/ESFA grants	794,735	794,735	425,249
	<hr/> 8,436,636	<hr/> 8,436,636	<hr/> 8,004,572
Other government grants			
Local Authority grants	361,169	361,169	411,183
Apprenticeship levy	500	500	6,702
	<hr/> 361,669	<hr/> 361,669	<hr/> 417,885
Other funding			
Other grants	10,239	10,239	15,323
Catering income	187,721	187,721	292,497
	<hr/> 197,960	<hr/> 197,960	<hr/> 307,820
Exceptional government funding			
Coronavirus exceptional support	31,409	31,409	-
	<hr/> 9,027,674	<hr/> 9,027,674	<hr/> 8,730,277
	<hr/> <hr/> 8,730,277	<hr/> <hr/> 8,730,277	<hr/> <hr/>
<i>Total 2019</i>	<hr/> <hr/> 8,730,277	<hr/> <hr/> 8,730,277	<hr/> <hr/>

WIGSTON ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Hire of facilities	71,460	71,460	124,754
Bar income	2,707	2,707	6,766
Headteacher consultancy fees	6,347	6,347	8,028
Tiger Tots income	102,909	102,909	119,955
	<u>183,423</u>	<u>183,423</u>	<u>259,503</u>
<i>Total 2019</i>	<u>259,503</u>	<u>259,503</u>	

6. Investment income

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Dividends received	-	1,820	1,820	1,052
Bank interest received	461	67	528	718
	<u>461</u>	<u>1,887</u>	<u>2,348</u>	<u>1,770</u>
<i>Total 2019</i>	<u>671</u>	<u>1,099</u>	<u>1,770</u>	

WIGSTON ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	<i>Total 2019 £</i>
Expenditure on raising funds:					
Direct costs	4,060	-	630	4,690	8,028
Allocated support costs	133,480	-	16,176	149,656	178,712
Educational Operations:					
Direct costs	6,484,662	687,766	529,076	7,701,504	8,062,143
Allocated support costs	1,312,704	545,616	534,007	2,392,327	2,391,001
	<u>7,934,906</u>	<u>1,233,382</u>	<u>1,079,889</u>	<u>10,248,177</u>	<u>10,639,884</u>
<i>Total 2019</i>	<u><u>8,252,206</u></u>	<u><u>1,229,136</u></u>	<u><u>1,158,542</u></u>	<u><u>10,639,884</u></u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Educational Operations	<u>7,701,504</u>	<u>2,392,327</u>	<u>10,093,831</u>	<u>10,453,144</u>
<i>Total 2019</i>	<u><u>8,062,143</u></u>	<u><u>2,391,001</u></u>	<u><u>10,453,144</u></u>	

WIGSTON ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational Operations 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
LGPS pension interest cost (£268,000) less return on assets (£143,000)	125,000	125,000	<i>126,000</i>
Staff costs	6,391,033	6,391,033	<i>6,543,705</i>
Educational supplies	120,990	120,990	<i>162,997</i>
Examination fees	120,351	120,351	<i>101,647</i>
Staff development	11,808	11,808	<i>10,166</i>
Educational consultancy	149,191	149,191	<i>106,455</i>
Other direct costs	93,622	93,622	<i>247,505</i>
Support staff costs	-	-	<i>61,195</i>
Depreciation	687,766	687,766	<i>698,923</i>
Technology costs	1,743	1,743	<i>3,550</i>
	<u>7,701,504</u>	<u>7,701,504</u>	<u><i>8,062,143</i></u>
<i>Total 2019</i>	<u><u>8,062,143</u></u>	<u><u>8,062,143</u></u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff costs	1,312,704	1,312,704	1,236,469
Recruitment	3,804	3,804	6,747
Maintenance of premises and equipment	111,023	111,023	92,396
Cleaning	24,300	24,300	32,095
Rent and rates	121,266	121,266	126,007
Insurance	59,772	59,772	46,740
Depreciation	229,256	229,256	232,974
Catering	114,735	114,735	168,794
Bank interest and charges	6,283	6,283	5,878
Legal and professional fees	-	-	954
Other support costs	126,503	126,503	132,216
Security and transport	39,035	39,035	37,956
Technology costs	42,478	42,478	29,107
Energy costs	181,956	181,956	222,135
Governance	19,212	19,212	20,533
	<u>2,392,327</u>	<u>2,392,327</u>	<u>2,391,001</u>
<i>Total 2019</i>	<u>2,391,001</u>	<u>2,391,001</u>	

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	<i>2019 £</i>
Operating lease rentals	5,142	-
Depreciation of tangible fixed assets	917,022	931,897
Fees paid to auditors for:		
- audit	15,000	14,650
- other services	1,450	1,400
	<u>15,000</u>	<u>14,650</u>
	<u>1,450</u>	<u>1,400</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020	2019
	£	£
Wages and salaries	5,601,272	5,868,626
Social security costs	519,134	563,837
Pension costs	1,721,501	1,511,074
	<u>7,841,907</u>	<u>7,943,537</u>
Agency staff costs	92,999	246,520
Staff restructuring costs	-	62,149
	<u>7,934,906</u>	<u>8,252,206</u>

Staff restructuring costs comprise:

	2020	2019
	£	£
Redundancy payments	-	62,149
	<u>-</u>	<u>62,149</u>

b. Staff numbers

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

	2020	2019
	No.	No.
Teachers	94	102
Administration and support	122	162
Management	3	3
	<u>219</u>	<u>267</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. Staff (continued)

c. Higher paid staff

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

	2020	<i>2019</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	4	<i>4</i>
In the band £90,001 - £100,000	1	<i>1</i>
In the band £110,001 - £120,000	1	<i>1</i>
	=====	<i>=====</i>

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £350,229 (2019 £338,752).

11. Central services

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

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

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

5% of GAG funding

The actual amounts charged during the year were as follows:

	2020	<i>2019</i>
	£	<i>£</i>
Wigston Academy	332,900	<i>326,062</i>
Wigston College	45,298	<i>45,226</i>
Total	===== 378,198	<i>=====</i> <i>371,288</i>

WIGSTON ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

12. Trustees' and Executive Headteacher remuneration and expenses

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

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

M Mitchley (Executive Headteacher)

Remuneration £115,000 - £120,000 (2019: £110,000 - £115,000)

Employer's pension contributions £25,000 - £30,000 (2019: £15,000 - £20,000)

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2020 was £1,297 (2019 - £1,370). The cost of this insurance is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

14. Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Furniture, fittings and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2019	20,649,819	10,024,101	597,620	286,202	31,557,742
Additions	-	169,776	5,072	64,949	239,797
At 31 August 2020	<u>20,649,819</u>	<u>10,193,877</u>	<u>602,692</u>	<u>351,151</u>	<u>31,797,539</u>
Depreciation					
At 1 September 2019	2,413,007	1,239,686	413,478	270,073	4,336,244
Charge for the year	478,393	356,728	67,510	14,391	917,022
At 31 August 2020	<u>2,891,400</u>	<u>1,596,414</u>	<u>480,988</u>	<u>284,464</u>	<u>5,253,266</u>
Net book value					
At 31 August 2020	<u><u>17,758,419</u></u>	<u><u>8,597,463</u></u>	<u><u>121,704</u></u>	<u><u>66,687</u></u>	<u><u>26,544,273</u></u>
At 31 August 2019	<u><u>18,236,812</u></u>	<u><u>8,784,415</u></u>	<u><u>184,142</u></u>	<u><u>16,129</u></u>	<u><u>27,221,498</u></u>

See note 1.3 regarding assets transferred on conversion.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

15. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 September 2019	46,880
Revaluations	1,500
At 31 August 2020	<u>48,380</u>
 Net book value	
At 31 August 2020	<u>48,380</u>
<i>At 31 August 2019</i>	<u>46,880</u>

16. Debtors

	2020 £	<i>2019 £</i>
Trade debtors	20,507	30,482
VAT recoverable	27,969	39,301
Prepayments and accrued income	204,628	188,402
	<u>253,104</u>	<u>258,185</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other loans	54,970	67,791
Trade creditors	34,217	30,047
Other taxation and social security	119,403	119,533
Other creditors	158,249	245,653
Accruals and deferred income	193,173	267,393
	560,012	730,417
	560,012	730,417
	2020 £	2019 £
Deferred income at 1 September 2019	120,125	92,698
Resources deferred during the year	56,922	120,125
Amounts released from previous periods	(120,125)	(92,698)
	56,922	120,125
	56,922	120,125

Included within deferred income are amounts received in advance for rates income received in advance for the year to 31 March 2021 of £NIL (2019 - £45,158), trips which take place after the year end £6,844 (2019 - £49,805), Tiger Tots income received in advance of the Autumn term £16,404 (2019 - £23,749), SEN income overpaid of £33,674 (2019 - £NIL) and income due to charities amounting to £NIL (2019 - £1,413).

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

	2020 £	2019 £
Other loans	-	12,821
	-	12,821

Other loans consists of a Salix loan for lower energy boilers as approved by the Education and Skills Funding Agency. The loan is interest free and repayable over a period of 1 year up to 31 August 2021.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Designated funds						
All weather pitch	175,000	-	-	-	-	175,000
General funds						
General funds	399,655	183,884	(154,346)	(21,540)	-	407,653
Total Unrestricted funds	574,655	183,884	(154,346)	(21,540)	-	582,653
Restricted general funds						
General Annual Grant (GAG)	(855,213)	7,641,901	(7,231,556)	21,540	-	(423,328)
Pupil Premium	-	306,391	(306,391)	-	-	-
Other DfE Group grants	-	488,344	(488,344)	-	-	-
Local Authority grants	-	361,169	(361,169)	-	-	-
Other grants	500	10,239	(10,239)	-	-	500
Abington High School Trust Fund	6,463	51	-	-	-	6,514
Guthlaxton College Foundation Fund	60,269	1,836	-	-	1,500	63,605
Catering income	-	187,721	(187,721)	-	-	-
Apprenticeship levy	-	500	(500)	-	-	-
Coronavirus support grant	-	31,409	(21,889)	-	-	9,520
Pension reserve	(6,703,000)	-	(569,000)	-	508,000	(6,764,000)
	(7,490,981)	9,029,561	(9,176,809)	21,540	509,500	(7,107,189)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Restricted fixed asset funds						
DfE Group capital grants	229,841	34,848	(22,177)	-	-	242,512
Transfer from Local Authority	21,257,895	-	(621,278)	-	-	20,636,617
Capital expenditure from GAG	694,491	-	(54,564)	-	-	639,927
Local Authority income	2,469,647	-	(76,174)	-	-	2,393,473
Local Authority donation	805,064	-	(52,139)	-	-	752,925
Condition Improvement Fund (CIF)	1,858,634	169,776	(90,690)	-	-	1,937,720
	<u>27,315,572</u>	<u>204,624</u>	<u>(917,022)</u>	<u>-</u>	<u>-</u>	<u>26,603,174</u>
Total Restricted funds	<u>19,824,591</u>	<u>9,234,185</u>	<u>(10,093,831)</u>	<u>21,540</u>	<u>509,500</u>	<u>19,495,985</u>
Total funds	<u>20,399,246</u>	<u>9,418,069</u>	<u>(10,248,177)</u>	<u>-</u>	<u>509,500</u>	<u>20,078,638</u>

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

Designated Funds

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

Restricted Funds

The General Annual Grant (GAG) relates to the school's development and operational activities. The transfer to GAG relates to an amount transferred from unrestricted funds to equalise the GAG.

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

The other DfE Group restricted funds grants consists of Year 7 Catch Up funding and the Teachers Pay and Pensions grant. All funds were fully spent in the year.

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

Other grants include grants received from other organisations and includes various small grants from, The

WIGSTON ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. Statement of funds (continued)

Young Enterprise and Thomas Estley Learning Alliance (TELA). All these grants were fully spent in the year. The balance carried forward at 31 August 2020 is an unspent School Council Grant of £500.

The Abington High School Trust and Guthlaxton College Foundation Fund (charity registration number 527854) are charities established to raise funds to enable disadvantaged children to have the same opportunities as their peers, e.g. to take part in visits and to provide suitable help towards uniforms and clothing as necessary. The closing balances of £6,514 and £63,605 respectively relate to unspent funds.

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

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

Exceptional government funding is the coronavirus exceptional support grant claimed during the year to be used towards the increased premises related costs, support for FSM vouchers and additional cleaning costs during the Easter holidays incurred by the school as a result of the COVID-19 pandemic. The carry forward is in respect of the cost of new equipment ordered but was not delivered until the Autumn term as a result of delays due to COVID-19 restrictions.

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

Restricted Fixed Asset Funds

DfE Group capital grants relate to funding received from these sources to purchase fixed assets. The closing balance relates to the net book value of assets concerned plus unspent Devolved Formula Capital Income of £48,956.

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

Capital expenditure from GAG relates to capitalised expenditure allocated to the GAG within this grant's terms. The transfer to restricted funds is the schools contribution to the windows and roof projects which was not required at the end of the project.

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

The Local Authority donation relates to refurbishment works carried out in classrooms at the Wigston College and the transfer of the lease of 121 years for Abington House, a building owned by the Local Authority which is on the school campus and used by the Tiger Tots Nursery. The closing balance relates to the net book value of these assets.

The Condition Improvement Fund (CIF) income in the year relates to funding received in relation to roof replacement works (phase III) at Wigston College. The closing balance relates to the net book value of the assets concerned plus an under spend of funds of £9,945 from the roof phase II project.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Wigston Academy	1,278,534	992,274
Wigston College	(1,066,267)	(1,231,894)
Central Services	27,197	26,294
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	239,464	(213,326)
Restricted fixed asset fund	26,603,174	27,315,572
Pension reserve	(6,764,000)	(6,703,000)
	<hr/>	<hr/>
Total	20,078,638	20,399,246
	<hr/> <hr/>	<hr/> <hr/>

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

	Deficit £
Wigston College	(1,066,267)
	<hr/> <hr/>

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

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

The Trust undertook a significant programme of restructuring and redundancy which has now successfully been completed. Across the Trust in 2015 there were 121 Full Time Equivalent (FTE) teachers and 130 FTE support staff, currently there are 80 FTE teachers and 82 FTE support staff. The Trust are proposing to reduce staffing and other costs were necessary when opportunities arise and vacancies are not always replaced like for like.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	<i>Total 2019 £</i>
Wigston Academy	4,832,664	860,254	113,848	1,115,488	6,922,254	6,831,389
Wigston College	955,335	403,386	7,142	96,743	1,462,606	1,950,590
Central Services	159,034	187,642	-	30,619	377,295	355,008
Academy Trust	5,947,033	1,451,282	120,990	1,242,850	8,762,155	9,136,987

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

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

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

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

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

WIGSTON ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	26,544,273	26,544,273
Fixed asset investments	-	48,380	-	48,380
Current assets	582,653	168,443	58,901	809,997
Creditors due within one year	-	(560,012)	-	(560,012)
Pension scheme liability	-	(6,764,000)	-	(6,764,000)
Total	582,653	(7,107,189)	26,603,174	20,078,638

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	27,221,498	27,221,498
Fixed asset investments	-	46,880	-	46,880
Current assets	574,655	(91,623)	94,074	577,106
Creditors due within one year	-	(730,417)	-	(730,417)
Creditors due in more than one year	-	(12,821)	-	(12,821)
Pension scheme liability	-	(6,703,000)	-	(6,703,000)
Total	574,655	(7,490,981)	27,315,572	20,399,246

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

21. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(828,608)	(1,221,259)
Adjustments for:		
Depreciation	917,022	931,897
Capital grants from DfE and other capital income	(204,624)	(424,731)
Interest receivable	(2,348)	(1,770)
Defined benefit pension scheme cost less contributions payable	444,000	445,000
Defined benefit pension scheme finance cost	125,000	126,000
Decrease in debtors	5,081	6,568
Decrease in creditors	(157,584)	(169,101)
Gains on investments	(1,500)	(2,344)
Net cash provided by/(used in) operating activities	296,439	(309,740)

22. Cash flows from financing activities

	2020 £	2019 £
Repayments of borrowing	(25,642)	(25,642)
Net cash used in financing activities	(25,642)	(25,642)

23. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	2,348	1,770
Purchase of tangible assets	(239,797)	(312,900)
Capital grants from DfE Group	204,624	424,731
Net cash (used in)/provided by investing activities	(32,825)	113,601

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

24. Analysis of cash and cash equivalents

	2020	<i>2019</i>
	£	£
Cash in hand	556,893	<i>318,921</i>
Total cash and cash equivalents	556,893	<i>318,921</i>

25. Analysis of changes in net debt

	At 1 September 2019	Cash flows	At 31 August 2020
	£	£	£
Cash at bank and in hand	318,921	237,972	556,893
Debt due within 1 year	(67,791)	12,821	(54,970)
Debt due after 1 year	(12,821)	12,821	-
	238,309	263,614	501,923

WIGSTON ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. Pension commitments

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

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

Contributions amounting to £143,328 were payable to the schemes at 31 August 2020 (2019 - £122,150) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

26. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £837,536 (2019 - £619,295).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £571,000 (2019 - £568,000), of which employer's contributions totalled £460,000 (2019 - £454,000) and employees' contributions totalled £ 111,000 (2019 - £114,000). The agreed contribution rates for future years are 25.4 - 26.4 per cent for employers and 5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2020	<i>2019</i>
	%	%
Rate of increase in salaries	2.7	3.3
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.8
Inflation assumption (CPI)	2.2	2.4
Commutation of pensions to lump sums	50	50

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

	2020	<i>2019</i>
	Years	Years
<i>Retiring today</i>		
Males	21.5	21.2
Females	23.8	23.4
<i>Retiring in 20 years</i>		
Males	22.2	22.2
Females	25.2	24.7

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

26. Pension commitments (continued)

Sensitivity analysis

	2020	<i>2019</i>
	£000	<i>£000</i>
Discount rate +0.5%	1,717	1,764
Salary increase rate +0.5%	149	237
Pension increase rate +0.5%	1,539	<i>1,491</i>

Share of scheme assets

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

	2020	<i>2019</i>
	£	<i>£</i>
Equities	4,664,000	<i>4,492,000</i>
Bonds	2,293,000	<i>2,401,000</i>
Property	632,000	<i>620,000</i>
Cash	316,000	<i>232,000</i>
Total market value of assets	7,905,000	<i>7,745,000</i>

The actual return on scheme assets was £(227,000) (2019 - £458,000).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

26. Pension commitments (continued)

Expected returns on assets are calculated as follows:-

The figures shown in the standard FRS 102 report for fund employers are based on the actuary's recommended return assumptions which are derived from the Hymans Robertson Asset Model (HRAM), The proprietary stochastic asset model developed and maintained by Hymans Robertson LLP.

Asset model

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

Key subjective assumptions are:

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

The only exception to the use of HRAM is in deriving the expected return on bond assets: instead of the HRAM output, the actuary has used the yields applicable at the accounting date on suitable bond indices. The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 September 2019 for the year to 31 August 2020, or date of joining the fund if later).

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

	2020	2019
	£	£
Current service cost	904,000	728,000
Past service cost	-	171,000
Interest income	143,000	198,000
Interest cost	(268,000)	(324,000)
Total amount recognised in the Statement of Financial Activities	779,000	773,000

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

26. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	14,448,000	11,237,000
Current service cost	904,000	728,000
Interest cost	268,000	324,000
Employee contributions	111,000	114,000
Actuarial (gains)/losses	(878,000)	2,012,000
Benefits paid	(184,000)	(138,000)
Past service costs	-	171,000
At 31 August	14,669,000	14,448,000

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

	2020 £	2019 £
At 1 September	7,745,000	6,857,000
Interest income	143,000	198,000
Actuarial (losses)/gains	(370,000)	260,000
Employer contributions	460,000	454,000
Employee contributions	111,000	114,000
Benefits paid	(184,000)	(138,000)
At 31 August	7,905,000	7,745,000

27. Operating lease commitments

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	6,856	-
Later than 1 year and not later than 5 years	22,282	-
	29,138	-

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NOTES TO THE FINANCIAL STATEMENTS
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28. Members' liability

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

29. Connected charities

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

30. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Expenditure Related Party Transactions

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

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

31. Post balance sheet events

At the balance sheet date the world was suffering a COVID-19 outbreak, and volatility in the economy as a result. The Trustees have considered the effect this may have on the Academy Trust post year end, and although unclear what impact this will have in the longer term they are informed by the Government's guidance that the issue will be time limited. This will continue to be a developing situation and as such a reasonable estimate of the financial effect of this outbreak on the Academy Trust cannot feasibly be made. The Trustees have assessed the situation and on the basis that core funding from both the Government and Local Authorities is expected to continue, they consider the Academy Trust to be a going concern.