

**THE WHERRY SCHOOL TRUST**  
(A Company Limited by Guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**THE WHERRY SCHOOL TRUST**  
**(A Company Limited by Guarantee)**

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**THE WHERRY SCHOOL TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

<b>Members</b>	Parkside Community Trust (resigned 20 July 2017) Autism Anglia (resigned 20 July 2017) Alan Bicknell (appointed 20 July 2017) Susan Gothard (appointed 20 July 2017) Barry Payne (appointed 20 July 2017) Tim Sweeting (appointed 30 October 2018)
<b>Trustees</b>	Barry Payne, Chair of Trustees Gillian Hiles Dale Coleman Rachel Quick Alan Bicknell Brian Conway Susan Gothard (resigned 20 July 2017) Matthew Price (appointed 11 July 2018) Miriam Jones (appointed 31 October 2018)
<b>Company registered number</b>	09255088
<b>Company name</b>	The Wherry School Trust
<b>Principal and registered office</b>	The Wherry School 280 Hall Road Norwich Norfolk NR1 2GB
<b>Company secretary</b>	Dale A Coleman
<b>Senior management team</b>	Rachel M C Quick, Principal Robert Speck, Vice Principal Danielle Winteringham, Assistant Principal (Appointed 1 September 2017)
<b>Independent auditors</b>	Price Bailey LLP Chartered Accountants Statutory Auditors Anglia House, 6 Central Avenue St Andrews Business Park Thorpe St Andrew Norwich Norfolk NR7 0HR
<b>Bankers</b>	Lloyds Bank Surrey Street Norwich Norfolk NR1 3NF

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Advisers (continued)**

**Solicitors**

NP Law  
Norfolk County Council  
County Hall  
Martineau Lane  
Norwich  
Norfolk  
NR1 2DH

**THE WHERRY SCHOOL TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their Annual Report together with the financial statements and Auditor's Report of the Wherry School Trust (The Academy, The Trust or the Charitable Company) for the Year ended 31 August 2018. The Annual Report serves the purposes of the both a Trustees' Report and a Directors' Report under company law.

The Trust School opened in September 2017, it operates as a free school Academy for pupils aged 4 to 19 serving a catchment area in Norfolk and Suffolk. It has a total pupil capacity number of 100. In line with the agreed and published growth plan, the Trust School opened with 48 pupils, rising to 66 for September 2018.

### **Structure, Governance and Management**

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Member Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee and Director are interchangeable. The Charitable Company is known as The Wherry School Trust (the Trust).

Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

### **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 and Officers' Indemnities**

The Academy purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise; this scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000.

### **Method of Recruitment and Appointment or Election of Trustees**

The arrangements are as set out in the Articles and Funding Agreement.

Trustees are appointed for a fixed term. The Principal is an ex-officio member of the Governing Body. Parent Trustees and the staff Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for no less than three trustees with no specified maximum. The Board model comprises 11 Trustees (2 parents, 2 staff – including the Principal, and 7 others). At the date of approval of these financial statements, there are 9 Trustees, in line with the Trust's growth model.

### **Policies and Procedures Adopted for the Induction and Training of Trustees**

The Charitable Company is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Trust provides an internal programme of continued professional development led by school staff and links with a number of local training providers.

All new Trustees are entitled to an induction to the role, according to their need, which may include introductory sessions, mentoring and formal courses. This process will involve a meeting with the Chair of Trustees and Principal or Vice-principal. All Trustees are provided with a handbook plus copies of policies and procedure documents that are appropriate to the role they undertake as Trustees with particular emphasis on the committee work they will undertake.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Organisational Structure**

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department for Education.

The Board of Trustees meet at least 3 occasions per year and each individual committee at least 3 times per year. The Board of Trustees is responsible for the strategic direction of the Academy. The Board will review progress towards educational objectives and results; approves major expenditure requests; sets the budget for the following year; sets the organisational staffing structure; agrees the performance objectives of the Principal with the external adviser and supports the outcomes and recommendations of the Department for Education Adviser and reviews them.

The Principal is the designated Accounting Officer of the Academy and has overall responsibility for the day to day financial management of the Charitable Company. The Principal has delegated responsibility for the low values of expenditure to specific budget holders (where appropriate) who are responsible for managing their own departments within their allocated budgets. A system of financial controls has been put in place to manage this process.

The Principal manages the Academy on a daily basis supported by a Senior Leadership Team (SLT). The SLT meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the principal and Board of Trustees as required for approval. Each member of the SLT has specific responsibilities to assist the Principal to manage certain aspects of the Academy.

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

Key management personnel include Academy Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day to day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors such as the school group size, ISR, the pay scales for each role and level of experience of each staff member. In additional pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration is approved by the Leadership and Management Committee.

Whilst some of the Trustees will be employed within the school, they will not be remunerated for their role as a trustee which is an unpaid role.

**Related Parties and other Connected Charities and Organisations**

Owing to the nature of the Trust's operations and composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which members of the Board may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the "at cost" principle described in the Academies Financial Handbook.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

The Trust cooperated with the following organisations during the academic year in pursuit of its charitable activities:

- The Parkside Community Trust
- Notre Dame High School (Part of the St John the Baptist Multi Academy Trust)
- Autism Anglia
- Aviva
- Norwich Community Sports Foundation (CSF)

The Trust does not have a formal sponsor.

### **Objective and Aims**

#### **Object and Aims**

The principal object and aim of the Charitable Company is the operation of the Wherry School (Norwich) to provide free education and care for pupils with Special Educational Needs (Autism) between the ages for 4 and 19.

#### **Objectives Strategies and Activities**

During the year the school has worked towards these aims by:

- Overseeing the completion of the build project and opening the school
- Recruitment of staff in line with objectives and planned growth model
- Successful admission of 48 pupils in 8 class bases
- Strengthening of Trust Board
- Working with the DFE and Local Authority to increase admission numbers and alter growth plan for September 2018 from 60 to 66
- Creation of the School Development and Improvement Plan (SDIP) to direct the work of the school relative to OFSTED criteria.
- The meeting of targets identified with the Department for Education in the Readiness for Opening plan (ROM) subsequently integrated within the SDIP – May 2017 to August 2018

Our success in fulfilling our aims can be measured by:

- The successful opening of school building as stated in timeframe – adequately resourced for opening
- The successful recruitment of all staff from Senior Leadership Tier to classroom teachers and support staff, building staff and office and administrative support staff
- The purchasing of classroom and infrastructure resources to allow for the delivery of the school curriculum
- The commissioning of clinical support professionals including Educational Psychologist, Clinical Psychologists, Speech and Language Therapist, specialist ASD advisers, Occupational Therapists
- The completion of school development targets, including provision for pupils to access mainstream curriculum opportunities and age-related national assessments (SATs/national screening assessments)

#### **Public Benefit**

The Trustees believe that by working towards the objects and aims of the school as detailed above, they have complied with their duty to have due regards to the guidance on public benefit published by the Charity Commission.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

## **Strategic Report**

### **Achievements and Performance**

The Trust has continued its mission to provide educational opportunities for pupils with ASD students (Autistic Spectrum Disorder) in the Norfolk and Suffolk catchment; to support parents and the wider ASD community and provide support for other schools through outreach work and advice administered by Norfolk Local Authority School to School (S2S) service.

The school has maintained the expected numbers of pupils within the school and appropriately managed the additional demand for places in a specialist provision, through first tier tribunal. The school has used its resources well to ensure that pupils have made expected academic progress and achieve in line with individual expectations.

Scrutiny of the school's achievement of its stated aims in the School Development Plan has been undertaken by the school Senior Leadership Team with the school staff, alongside the Trustees. External scrutiny has been undertaken by the school's nominated DFE Education Adviser.

### **Key Performance Indicators**

The Wherry School Trust worked alongside Kier Construction, technical advisers from MACE and also from the ESFA, to oversee the construction and design of the new school building created to meet the needs of learners with a diagnosis of Autism Spectrum Disorder. During the year 2017/18, 31 new staff were appointed, alongside a commissioned clinical team, to create a unique curriculum and approach appropriate for pupils with ASD.

Children across the school were taught an appropriately differentiated curriculum, mirroring the National Curriculum for their chronological age. In the primary school completed age related statutory assessments, phonics at the end of Year 1, end of Key Stage 1 assessments and end of Key Stage 2 assessments (SATs). Standards achieved by the Year 6 pupils were inline in with national averages for the age group, in Reading and Maths. The school admitted children into Year 7 and Year 8 in September 2017, who are also able to access learning linked to the Key Stage 3 programmes of study.

The school was fully staffed at opening, and the staff team was further enlarged for September 2018, in line with the DFE approved growth plan. The school staffing costs in 2017/18 were 62.5% of the total income.

The academy trust was operating within its budget for the financial year ended 31 August 2018.

### **Going concern**

Throughout the year, the Leadership and Management Committee has reviewed the month end reports and after making appropriate enquiries, noted within the meeting minutes and in papers presented to the committee, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

### **Financial Review**

The principal source of funding for the Trust in the year was pupil specific funding from the Department for Education (ESFA GAG funding) and placement funding within the Budget Share from Norfolk Local Authority; as well as grants received from the Education and Skills Funding Agency (ESFA) relating to building and capital grant funds. Total income received in the year was £1,769,304. Included within this amount was £87,386 received from capital grants and donations for the equipping of the school.



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

During the year the Trust spent £1,553,008 on expenditure, including £179,552 for depreciation in relation to the school building project, ICT infrastructure and hardware.

The Trust had brought forward balances on unrestricted funds of £494, restricted funds of £23,438 and £7,255,908 of restricted fixed asset fund. The carry forward balance on unrestricted funds is £545, restricted funds is £326,076 and restricted fixed asset funds is £7,169,515.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a pension fund deficit of £166,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

### **Reserves Policy**

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Accounting Officer. The Budget plan and monitoring reports identify how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for the specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £545.

The cash balance of the Academy has been very healthy all year, ending the year with a balance £331,797. The Trustees monitor cash flow as part of the Accounting Officer's reports.

The Trust will continue to adapt its reserves policy as its income develops further with direct education and SEND funding away from the start up and capital funding streams.

### **Fundraising**

The Academy Trust only held small fundraising events during the year for other charitable causes, including Children in Need, Macmillan Cancer Research Coffee Afternoon. The school is supported by a friends association, The Friends of The Wherry School, who are constituted as a Parent/teacher association in line with the PTA/UK guidelines. The Friends of the school are an independent charity who have made donations to the school for outdoor play equipment, football kits, the furnishing of the sensory calming room and made grant applications to various charities, including The Wooden Spoon Charity and National Lottery, on behalf of the school. During the year the Friends of The Wherry School have made donations of £21,559.

The Academy Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

### **Trade union**

The Wherry School Trust had no employees who were relevant union officials during the year. Trade union facilities time was outsourced to Norfolk County Council who were paid £147 for costs associated with the outsourcing of trade union activities in the year end 31 August 2018.

### **Investment Policy**

The aim of the Trustees is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise the Trusts income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trust does not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Principal Risks and Uncertainties**

The Trustees maintain a risk register identifying the major risks to which the Academy is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each meeting. From September 2017 this has been reviewed by the Leadership and Management committee. The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an academy free school:

- the level of financial risk is low
- Cash flows can be reliably forecast, monitored and reported.
- Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- the Academy has considerable reliance on Government funding through the ESFA however, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- The Academy has significantly more reliance on Local Authority High Needs /SEN Grants which can be constrained by both local and national political budget setting pressures; reduction in this funding stream would make the current support and staffing structures untenable;
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees will ensure that student progress and outcomes are closely monitored and reviewed;
- safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- staffing - the success of the Academy is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring Trustee and staff awareness.

**Plans for Future Periods**

In the next financial year Trustees' focus will be to ensure the continued operation and development of the school. This will be measured by:

- Continuing strengthening of Trust Board, including at Member Level
- Achievement of individual role targets for 2018/19
- Development of the curriculum and associated resources, including into Key Stage 4 and GCSE offer and ensuring that the school can take pupils at the Early Years Phase as required
- Continuing the school published growth plan, including staffing support for increase in pupil numbers
- Ensuring the impact of the commissioned clinical professional support, that this meets the needs of the pupils on roll.

**Funds Held as Custodian Trustee on Behalf of Others**

At no point during the period did the Trust hold funds as custodian trustee on behalf of others.

**Auditor**

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 28 December 2018 and signed on its behalf by:

**Barry Payne**  
**Chair of Trustees**

**THE WHERRY SCHOOL TRUST**  
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**GOVERNANCE STATEMENT**

**SCOPE OF RESPONSIBILITY**

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

The board of trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Wherry School 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 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Barry Payne, Chair of Trustees	3	3
Gillian Hiles	3	3
Dale Coleman	3	3
Rachel Quick	3	3
Alan Bicknell	3	3
Brian Conway	3	3
Matthew Price	1	1
Miriam Jones	0	0

The Board of Trustees undertook a self-appraisal/skillset review prior to the formation of Trustee Board, as the previous Project Board was assimilated into new Trust Board. Strengths of the current Trustees include:

- Wide ranging educational knowledge from mainstream and special education sector
- Extensive school leadership (including Academy management) experience
- A qualified accountant
- Experienced SEN and Admissions Adviser
- Extensive knowledge of the Charity and voluntary sector

Further challenge within the Trustees would be strengthened through the appointment of a parent trustee and also to identify a trustee who could provide support and challenge with knowledge of the mainstream primary sector.

During the year the Terms of Reference for the 3 committees were scrutinised, re-drawn and ratified to ensure that each committee had a clear direction and remit for their work with the school. Responsibilities were clarified through discussion and reporting structures to the Full Trust Board confirmed.

Long and short term strategy for the development of the Trust, including responding to the needs of the ASD community and the demand on school places through admissions and tribunals, alongside the Local Authority also informed decisions of all committees, but in particular the Leadership and Management Committee with regards to funding streams and staffing.

The Board of Trustees sought to ensure that there is a balanced representation of staff from varying roles, invited to join the committee as well as seeking to ensure a gender balance.

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**GOVERNANCE STATEMENT (continued)**

The Trustees receive regular information at each committee meetings (as identified in the Committee Terms of Reference). The current committee structure is:

- Leadership and Management Committee – covering Finance, Staffing and Trust buildings
- Teaching and Learning – covering teaching, assessments, staffing, standards
- Behaviour, Safety and Welfare (Care) – covering behaviour scrutiny, safeguarding, health and safety.

The Leadership and Management (including Finance) Committee is a sub-committee of the main board of trustees. Its main purposes are:

- To consider the preparation, development, monitoring and review of the School Development and Improvement Plan and the impact on the board of trustees' cycle of work.
- To regularly consider and update the relevant sections of the school's Self Evaluation Programme.
- To consider, approve the preparation of and recommend to the full board of trustees a three year balanced revenue budget.
- To consider, approve the preparation of and recommend to the full board of trustees any revisions to the budget.
- To appoint auditors on an annual basis.
- To review Draft Statutory Accounts and recommend Final Statutory Accounts.
- To monitor overall performance of both revenue and capital budgets, while delegating detailed scrutiny to responsible Committees, and advise the full board of trustees of any actions necessary to ensure compliance with the agreed budget.
- To ensure that the financial administration of the school complies with ESFA and DfE guidance and other statutory and relevant procedures.
- To be responsible for the appointment and promotion of staff and termination of staff contracts (other than the appointment of the Principal).
- To approve policies and procedures concerning secondment, leave of absence, early retirement, and extension of sick pay and to notify staff of the outcome.
- To review the staffing establishment of the school, ensuring that it meets the needs of the curriculum and is in line with the projected number of students in the school and is also in line with the School Development Plan and the 3 Year Budget Forecast. To carry out any subsequent adjustment procedures with the staff.
- To review annually the pay of staff, including the Principal, in accordance with the board of trustees' Pay Policy, which shall itself be kept under review by the Committee and to notify staff of the outcome.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Dale Coleman (Chair)	4	4
Barry Payne	4	4
Brian Conway	3	4
Rachel Quick	4	4

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**GOVERNANCE STATEMENT (continued)**

**REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the Principal 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:

- Ensuring that tendered contracts for the kitchen and facilities management in the school are robustly scrutinised and the provider challenged to ensure that snacks, dinners, products used and support services are of the highest quality and value for money for the children and staff (as customers) and the school.
- Tendered contracts for the clinical professional services based in the school were thoroughly tendered for, independently peer reviewed using a therapist based at a special school, along with trustees and that the offer within the school allowed for the meeting of clinical and health needs of the pupils, thus reducing the pull of financial resources to meet the complexity of need within the pupil population – for example school occupational therapy support has been externally assessed and recognised to meet the same need as a private provider.
- Negotiation with capital fund supplier for ICT provision, as identified in ESFA capital grant, to improve the quality and type of ICT provision for the school as part of the 3-year ICT capital plan.
- Working with the Principal to build on the strengths of staff within the school to take on roles and responsibilities which are dynamic and meet the emerging needs of the school and individual pupils; for example, altering the staffing structure based on regular skills audit.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Wherry School Trust for the year 1 September 2017 to 31 August 2018 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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**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 duty 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 Trustee;
- Regular reviews by the Leadership and Management (including Finance) Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, in 2017/18 as in previous year, the Trustees have appointed D Coleman (a Trustee) to carry out a programme of internal checks. The Trustees have also sought to purchase further financial assistance from Price Bailey (Accountants and Auditors) to support the preparation and review of monthly business reporting, alongside the school Business Administrator and Accounting Officer (Principal), as well as the Local Authority financial assistants who have supported the management of the budgeting and purchasing software, through a package of support from Norfolk LA (Educator Solutions).

The appointed Trustee reviewed the utilisation of the capital building grants and other grants during the year, ensuring that transactions were correctly accounted for within the Trust's records. The trustee overseeing and reviewing the Trust's financial systems would report to the Board of Trustees at the meetings attended.

**REVIEW OF EFFECTIVENESS**

As Accounting Officer, the Principal 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 Leadership and Management (including Finance) Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 28 December 2018 and signed on their behalf, by:

**Barry Payne**  
**Chair of Trustees**

**Rachel Quick**  
**Accounting Officer**

**THE WHERRY SCHOOL TRUST**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of The Wherry School Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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.

**Rachel Quick**  
**Accounting Officer**

Date: 28 December 2018



**THE WHERRY SCHOOL TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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 Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- 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 28 December 2018 and signed on its behalf by:

**Barry Payne**  
**Chair of Trustees**

**THE WHERRY SCHOOL TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
WHERRY SCHOOL TRUST**

**OPINION**

We have audited the financial statements of The Wherry School Trust (the 'academy trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

**BASIS FOR OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

**THE WHERRY SCHOOL TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
WHERRY SCHOOL TRUST**

**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. 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 (incorporating the Strategic Report and the Directors' Report) for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report has 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 Strategic Report and the Directors' 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.

**RESPONSIBILITIES OF TRUSTEES**

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

**THE WHERRY SCHOOL TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
WHERRY SCHOOL TRUST**

**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

**USE OF OUR REPORT**

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

John Warren BSc FCA (Senior Statutory Auditor)

for and on behalf of

**Price Bailey LLP**

Chartered Accountants  
Statutory Auditors

Anglia House, 6 Central Avenue  
St Andrews Business Park  
Thorpe St Andrew  
Norwich  
Norfolk  
NR7 0HR  
28 December 2018

**THE WHERRY SCHOOL TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE  
WHERRY SCHOOL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 30 July 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Wherry School Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF THE WHERRY SCHOOL TRUST'S ACCOUNTING OFFICER AND  
THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of The Wherry School Trust's funding agreement with the Secretary of State for Education dated 20 September 2016, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**THE WHERRY SCHOOL TRUST**  
**(A Company Limited by Guarantee)**

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

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Price Bailey LLP**

Reporting Accountant

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

28 December 2018

**THE WHERRY SCHOOL TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>						
Donations & capital grants:						
Upon set up of free school	2	-	(52,000)	-	(52,000)	-
Other donations and capital grants	2	1,850	7,814	87,386	97,050	6,648,348
Charitable activities	3	6,356	1,662,900	-	1,669,256	-
Other trading activities	4	2,453	-	-	2,453	-
Investments	5	545	-	-	545	119
<b>TOTAL INCOME</b>		<u>11,204</u>	<u>1,618,714</u>	<u>87,386</u>	<u>1,717,304</u>	<u>6,648,467</u>
<b>EXPENDITURE ON:</b>						
Charitable activities		<u>11,153</u>	<u>1,423,303</u>	<u>179,552</u>	<u>1,614,008</u>	<u>146,172</u>
<b>TOTAL EXPENDITURE</b>	6	<u>11,153</u>	<u>1,423,303</u>	<u>179,552</u>	<u>1,614,008</u>	<u>146,172</u>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	16	<u>51</u>	<u>195,411</u>	<u>(92,166)</u>	<u>103,296</u>	<u>6,502,295</u>
		-	(5,773)	5,773	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		<u>51</u>	<u>189,638</u>	<u>(86,393)</u>	<u>103,296</u>	<u>6,502,295</u>
Actuarial losses on defined benefit pension schemes	20	<u>-</u>	<u>(53,000)</u>	<u>-</u>	<u>(53,000)</u>	<u>-</u>
<b>NET MOVEMENT IN FUNDS</b>		<u>51</u>	<u>136,638</u>	<u>(86,393)</u>	<u>50,296</u>	<u>6,502,295</u>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		<u>494</u>	<u>23,438</u>	<u>7,255,908</u>	<u>7,279,840</u>	<u>777,545</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>545</u></u>	<u><u>160,076</u></u>	<u><u>7,169,515</u></u>	<u><u>7,330,136</u></u>	<u><u>7,279,840</u></u>

The notes on pages 24 to 44 form part of these financial statements.

**THE WHERRY SCHOOL TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 09255088**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	12		7,169,515		6,770,925
<b>CURRENT ASSETS</b>					
Debtors	13	208,502		2,148,932	
Cash at bank and in hand	19	331,797		28,859	
		540,299		2,177,791	
<b>CREDITORS:</b> amounts falling due within one year	14	(213,678)		(1,668,876)	
<b>NET CURRENT ASSETS</b>			326,621		508,915
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			7,496,136		7,279,840
Defined benefit pension scheme liability	20		(166,000)		-
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			7,330,136		7,279,840
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	16	326,076		23,438	
Restricted fixed asset funds	16	7,169,515		7,255,908	
Restricted income funds excluding pension liability		7,495,591		7,279,346	
Pension reserve		(166,000)		-	
Total restricted income funds			7,329,591		7,279,346
Unrestricted income funds	16		545		494
<b>TOTAL FUNDS</b>			7,330,136		7,279,840

The financial statements on pages 21 to 44 were approved by the Trustees, and authorised for issue, on 28 December 2018 and are signed on their behalf, by:

**Barry Payne**  
**Chair of Trustees**

The notes on pages 24 to 44 form part of these financial statements.



**THE WHERRY SCHOOL TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	18	793,149	(330,101)
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		545	119
Purchase of tangible fixed assets		(578,142)	(6,371,662)
Capital grants from DfE Group and other capital income		87,386	6,648,348
<b>Net cash (used in)/provided by investing activities</b>		<u>(490,211)</u>	<u>276,805</u>
<b>Change in cash and cash equivalents in the year</b>			
Cash and cash equivalents brought forward		<u>28,859</u>	<u>82,155</u>
<b>Cash and cash equivalents carried forward</b>	19	<u><u>331,797</u></u>	<u><u>28,859</u></u>

The notes on pages 24 to 44 form part of these financial statements.

**THE WHERRY SCHOOL TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES**

A summary of the principal accounting policies adopted, judgments and key sources of estimation uncertainty, is set out below.

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Wherry School Trust constitutes a public benefit entity as defined by FRS 102.

**1.2 General information**

The Wherry School Trust is a private company limited by guarantee incorporated in England and Wales under the Companies Act 2006. The address of its registered office is: The Wherry School, 280 Hall Road, Norwich, Norfolk, NR1 2GB.

The financial statements are presented in pounds sterling, which is the functional currency of the company, and rounded to the nearest pound.

**1.3 Fund accounting**

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

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

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

**THE WHERRY SCHOOL TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.4 Income**

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

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

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

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

**1.5 Expenditure**

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

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

All expenditure is inclusive of irrecoverable VAT.

**THE WHERRY SCHOOL TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.6 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 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 trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.7 Tangible fixed assets and depreciation**

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Furniture and fixtures	-	25% straight line
Computer equipment	-	20% 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 incorporating Income and Expenditure Account.

**1.8 Operating leases**

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

**1.9 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.

**THE WHERRY SCHOOL TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**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 and provisions**

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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. 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.

**1.12 Financial instruments**

The trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the trust and their measurement basis 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 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. 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 instruments.

**1.13 Taxation**

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

**THE WHERRY SCHOOL TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**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 Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**THE WHERRY SCHOOL TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.15 Critical accounting estimates and areas of judgment**

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

Critical areas of judgment:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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 2018. 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.

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**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Upon set up of free school	-	(52,000)	-	(52,000)	-
Donations	1,850	7,814	18,647	28,311	1,975
Donated land	-	-	-	-	221,663
ESFA ICT/building capital grants	-	-	68,739	68,739	6,424,710
Subtotal	1,850	7,814	87,386	97,050	6,648,348
	1,850	(44,186)	87,386	45,050	6,648,348
Total 2017	-	-	6,648,348	6,648,348	

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	583,000	583,000	-
Other Dfe/EFA grants	-	39,368	39,368	-
	-	622,368	622,368	-
<b>Other government grants</b>				
Local authority grants	-	1,035,073	1,035,073	-
	-	1,035,073	1,035,073	-
<b>Other income from the academy trust's educational operations</b>				
Income from other schools	-	1,900	1,900	-
Other income	-	3,559	3,559	-
Catering Income	6,356	-	6,356	-
	6,356	5,459	11,815	-
	6,356	1,662,900	1,669,256	-
Total 2017	-	-	-	



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**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Catering Income from staff	2,245	-	2,245	-
Rental Income	90	-	90	-
Other Income	118	-	118	-
	<u>2,453</u>	<u>-</u>	<u>2,453</u>	<u>-</u>

**5. INVESTMENT INCOME**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	545	-	545	119
	<u>545</u>	<u>-</u>	<u>545</u>	<u>119</u>
Total 2017	<u>119</u>	<u>-</u>	<u>119</u>	

**6. EXPENDITURE**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Provision of Education:					
Direct costs	1,002,861	-	64,469	1,067,330	75,718
Support costs	99,495	55,873	391,310	546,678	70,454
	<u>1,102,356</u>	<u>55,873</u>	<u>455,779</u>	<u>1,614,008</u>	<u>146,172</u>
Total 2017	<u>78,117</u>	<u>11,804</u>	<u>56,251</u>	<u>146,172</u>	

**7. CHARITABLE ACTIVITIES**

	2018 £	2017 £
Direct costs	1,067,330	75,718
Support costs	546,678	70,454
	<u>1,614,008</u>	<u>146,172</u>
Total	<u>1,614,008</u>	<u>146,172</u>

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Analysis of support costs	2018 £	2017 £
Technology costs	21,153	7,082
Other costs	181,965	33,435
Governance costs	8,640	5,070
Support staff costs	99,495	11,714
Premises costs	55,873	11,804
Depreciation	179,552	1,349
	<u>546,678</u>	<u>70,454</u>
Total	<u>546,678</u>	<u>70,454</u>

**8. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	179,552	1,349
Auditors' remuneration - audit	5,950	3,045
Auditors' remuneration - other services	3,065	2,205
Operating lease rentals	2,051	-
	<u>189,618</u>	<u>6,604</u>

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**9. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	828,467	61,052
Social security costs	73,275	6,794
Operating costs of defined benefit pension schemes	200,054	10,271
	<u>1,101,796</u>	<u>78,117</u>
Agency staff costs	560	-
	<u>1,102,356</u>	<u>78,117</u>

**b. Staff numbers**

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

	2018 No.	2017 No.
Teaching	9	-
Administration and support	21	-
Management	4	2
	<u>34</u>	<u>2</u>

**c. Higher paid staff**

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

	2018 No.	2017 No.
In the band £70,001 - £80,000	1	0

**d. Key management personnel**

The key management personnel of the academy trust comprise the senior management team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £238,794 (2017: £66,402).

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**10. TRUSTEES' REMUNERATION AND EXPENSES**

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

		2018 £	2017 £
Rachel M Quick	Remuneration	75,000-80,000	25,000-30,000
	Pension contributions paid	10,000-15,000	0-5,000

During the year ended 31 August 2018, expenses totalling £2,588 (2017 - £NIL) were reimbursed to 5 Trustees (2017 - 0).

**11. TRUSTEES' AND OFFICERS' INSURANCE**

The academy trust opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

**12. TANGIBLE FIXED ASSETS**

	Freehold property £	Fixtures and fittings £	Computer equipment £	Freehold buildings in the course of construction £	Total £
<b>Cost</b>					
At 1 September 2017	221,663	64,944	14,273	6,471,394	6,772,274
Additions	-	170,969	125,258	281,915	578,142
Transfer between classes	6,753,309	-	-	(6,753,309)	-
At 31 August 2018	<u>6,974,972</u>	<u>235,913</u>	<u>139,531</u>	<u>-</u>	<u>7,350,416</u>
<b>Depreciation</b>					
At 1 September 2017	-	-	1,349	-	1,349
Charge for the year	135,627	21,521	22,404	-	179,552
At 31 August 2018	<u>135,627</u>	<u>21,521</u>	<u>23,753</u>	<u>-</u>	<u>180,901</u>
<b>Net book value</b>					
At 31 August 2018	<u>6,839,345</u>	<u>214,392</u>	<u>115,778</u>	<u>-</u>	<u>7,169,515</u>
At 31 August 2017	<u>221,663</u>	<u>64,944</u>	<u>12,924</u>	<u>6,471,394</u>	<u>6,770,925</u>

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**13. DEBTORS**

	2018	2017
	£	£
Trade debtors	1,066	-
VAT	22,236	1,239,030
Other debtors	-	344
Prepayments and accrued income	185,200	909,558
	208,502	2,148,932
	208,502	2,148,932

**14. CREDITORS: Amounts falling due within one year**

	2018	2017
	£	£
Trade creditors	52,842	1,224,116
Other taxation and social security	19,803	-
Accruals	141,033	444,760
	213,678	1,668,876
	213,678	1,668,876

**15. FINANCIAL INSTRUMENTS**

	2018	2017
	£	£
Financial assets measured at amortised cost	517,726	938,761
Financial liabilities measured at amortised cost	193,875	1,668,876
	193,875	1,668,876

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

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

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**16. STATEMENT OF FUNDS**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
Unrestricted funds	494	11,204	(11,153)	-	-	545
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	583,000	(577,227)	(5,773)	-	-
Pupil premium	-	19,337	(19,337)	-	-	-
Other DfE/ESFA grants	-	20,031	(20,031)	-	-	-
Other government grants	-	1,035,073	(708,997)	-	-	326,076
Start up grant	23,438	-	(23,438)	-	-	-
Other restricted	-	13,273	(13,273)	-	-	-
Pension reserve	-	(52,000)	(61,000)	-	(53,000)	(166,000)
	<u>23,438</u>	<u>1,618,714</u>	<u>(1,423,303)</u>	<u>(5,773)</u>	<u>(53,000)</u>	<u>160,076</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed assets	6,770,925	-	(179,315)	572,369	-	7,163,979
DfE/ESFA capital grants	484,983	68,739	-	(553,722)	-	-
Donations	-	18,647	-	(18,647)	-	-
Capital expenditure from GAG	-	-	(237)	5,773	-	5,536
	<u>7,255,908</u>	<u>87,386</u>	<u>(179,552)</u>	<u>5,773</u>	<u>-</u>	<u>7,169,515</u>
Total restricted funds	<u>7,279,346</u>	<u>1,706,100</u>	<u>(1,602,855)</u>	<u>-</u>	<u>(53,000)</u>	<u>7,329,591</u>
Total of funds	<u><u>7,279,840</u></u>	<u><u>1,717,304</u></u>	<u><u>(1,614,008)</u></u>	<u><u>-</u></u>	<u><u>(53,000)</u></u>	<u><u>7,330,136</u></u>

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

**Unrestricted funds**

This fund represents income and expenditure which are not restricted in any way and can be used freely to achieve the academy trust's objectives.

**GAG**

This represents funding from the ESFA to cover the costs of recurrent expenditure.

The transfer from GAG relates to the contribution from GAG funding towards the purchase of capital assets during the period.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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**16. STATEMENT OF FUNDS (continued)**

**Pupil premium**

This represents funding to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

**Other DfE/ESFA grants**

This represents PE and Sports Grants, Year 7 catch up grants and Universal Infant Free School Meals.

**Other government grants**

This represents other funding from the government towards the provision of education.

**Start Up Grant**

This represents a grant to aid with start up costs of the free school which was utilised in the period as funding set up costs and project management.

**Other Restricted**

This represents funding received from other bodies towards a specific purpose, including funding towards exams and other miscellaneous activities.

**Pension reserve**

This fund represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the academy on conversion from a state controlled school. The restricted pension fund is materially in deficit and plans to eliminate the liability on the defined benefit pension scheme are set out in note 20 based on the period end valuation.

**Restricted fixed asset fund**

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the DfE where the asset acquired or created is held for a specific purpose. Income in this fund in the period is in respect of Building Construction grant income from the DfE/ESFA and capital donations.

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**16. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>General funds</b>						
Unrestricted funds	375	119	-	-	-	494
<b>Restricted funds</b>						
Start up grant	171,741	-	(144,823)	(3,480)	-	23,438
<b>Restricted fixed asset funds</b>						
Restricted fixed assets	400,612	-	(1,349)	6,856,645	-	7,255,908
DfE/ESFA capital grants	204,817	6,424,710	-	(6,629,527)	-	-
Donations	-	223,638	-	(223,638)	-	-
	<u>605,429</u>	<u>6,648,348</u>	<u>(1,349)</u>	<u>3,480</u>	<u>-</u>	<u>7,255,908</u>
Total restricted funds	<u>777,170</u>	<u>6,648,348</u>	<u>(146,172)</u>	<u>-</u>	<u>-</u>	<u>7,279,346</u>
Total of funds	<u><u>777,545</u></u>	<u><u>6,648,467</u></u>	<u><u>(146,172)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>7,279,840</u></u>



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**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	7,169,515	7,169,515
Current assets	545	539,754	-	540,299
Creditors due within one year	-	(213,678)	-	(213,678)
Provisions for liabilities and charges	-	(166,000)	-	(166,000)
	<u>545</u>	<u>160,076</u>	<u>7,169,515</u>	<u>7,330,136</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	6,770,925	6,770,925
Current assets	494	1,692,314	484,983	2,177,791
Creditors due within one year	-	(1,668,876)	-	(1,668,876)
	<u>494</u>	<u>23,438</u>	<u>7,255,908</u>	<u>7,279,840</u>

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

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	103,296	6,502,295
<b>Adjustment for:</b>		
Depreciation charges	179,552	1,349
Dividends, interest and rents from investments	(545)	(119)
Decrease/(increase) in debtors	1,940,430	(1,733,238)
(Decrease)/increase in creditors	(1,455,198)	1,547,960
Capital grants from DfE and other capital income	(87,386)	(6,648,348)
Defined benefit pension scheme obligation inherited	52,000	-
Defined benefit pension scheme cost less contributions payable	(61,000)	-
Defined benefit pension scheme finance cost	122,000	-
<b>Net cash provided by/(used in) operating activities</b>	<u>793,149</u>	<u>(330,101)</u>

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**19. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018	2017
	£	£
Cash at bank - instant access	331,797	28,859
Total	331,797	28,859

**20. PENSION COMMITMENTS**

The academy trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Norfolk County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

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

Contributions amounting to £Nil were payable to the schemes at 31 August 2018 (2017 - £1,412) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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**20. PENSION COMMITMENTS (continued)**

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

The employer's pension costs paid to TPS in the period amounted to £81,509 (2017 - £8,483).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £79,000 (2017 - £2,345), of which employer's contributions totalled £61,000 (2017 - £1,788) and employees' contributions totalled £18,000 (2017 - £557). The agreed contribution rates for future years are 20.8% for employers and 5.5 - 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	- %
Rate of increase in salaries	2.60 %	- %
Rate of increase for pensions in payment / inflation	2.30 %	- %

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

	2018	2017
Retiring today		
Males	22.1	-
Females	24.4	-
Retiring in 20 years		
Males	24.1	-
Females	26.4	-

	At 31 August 2018 £	At 31 August 2017 £
<b>Sensitivity analysis</b>		
Discount rate +0.1%	(10,048)	-
Discount rate -0.1%	10,048	-
Mortality assumption - 1 year increase	2,512	-
Mortality assumption - 1 year decrease	(2,512)	-
CPI rate +0.1%	9,420	-
CPI rate -0.1%	(9,420)	-

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**20. PENSION COMMITMENTS (continued)**

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	75,000	-
Gilts	50,000	-
Property	18,000	-
Cash and other liquid assets	4,000	-
	<u>147,000</u>	<u>-</u>
Total market value of assets	<u>147,000</u>	<u>-</u>

The actual return on scheme assets was £34,000 (2017 - £Nil).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018 £	2017 £
Current service cost	(120,000)	-
Interest income	2,000	-
Interest cost	(4,000)	-
	<u>(122,000)</u>	<u>-</u>
Total	<u>(122,000)</u>	<u>-</u>

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

	2018 £	2017 £
Upon set up of new free school	87,000	-
Current service cost	120,000	-
Interest cost	4,000	-
Employee contributions	18,000	-
Actuarial losses	85,000	-
	<u>314,000</u>	<u>-</u>
Closing defined benefit obligation	<u>314,000</u>	<u>-</u>

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

	2018 £	2017 £
Upon set up of new free school	35,000	-
Interest income	2,000	-
Actuarial losses	32,000	-
Employer contributions	61,000	-
Employee contributions	18,000	-
	<u>148,000</u>	<u>-</u>
Closing fair value of scheme assets	<u>148,000</u>	<u>-</u>

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**21. OPERATING LEASE COMMITMENTS**

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018	2017
	£	£
<b>Amounts payable:</b>		
Within 1 year	2,891	-
Between 1 and 5 years	3,067	-
	5,958	-
<b>Total</b>	5,958	-

**22. 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The Wherry Trust received income from The Wherry Friends Association of £21,559 who fundraise on behalf of The Wherry Trust. The amount due to the trust at 31 August 2018 is £21,559 (2017: £Nil).

The Wherry Trust purchased services amounting to £1,000 (2017: £Nil) from Autism Anglia, an organisation in which Alan Bicknell is the Chief Executive Officer. There were no amounts outstanding at 31 August 2018 (2017: £Nil). These services relate to a training course provided by Autism Anglia at cost. The Wherry Trust made the purchase at arms length and Alan Bicknell did not participate in or influence the transaction.

The Wherry Trust purchased services amounting to £100 (2017: £Nil) from Trust Norfolk - SEN, a company where Barry Payne is a Director. There were no amounts outstanding at 31 August 2018 (2017: £Nil). These services relate to a training course and a sports event. The Wherry Trust made the purchase at arms length and Barry Payne did not participate in or influence the transaction.

The Wherry Trust purchased services amounting £295 (2017: £Nil) from The St John the Baptist Catholic Multi Academy Trust where Brian Conway is also a Trustee. There were no amounts outstanding on the 31st August 2018 (2017: £Nil). The services relate to training courses and were purchased at arms length, Brian Conway did not participate or influence the transaction.

The Wherry Trust purchased services amounting to £Nil (2017: £2,110) from The Base Trust where Barry Payne is also a Trustee. There were no amounts outstanding on the 31 August 2018 (2017: £Nil).

The Wherry Trust purchased services amounting to £Nil (2017: £1,003) from the Parkside Community Trust, a company where Barry Payne is a Director. There were no amounts outstanding at the 31 August 2018 (2017: £Nil).

**THE WHERRY SCHOOL TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**23. 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 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 cease to be a member.