Company Registration Number: 09255088 (England & Wales)

THE WHERRY SCHOOL TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

THE WHERRY SCHOOL TRUST
(A Company Limited by Guarantee)

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THE WHERRY SCHOOL TRUST

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Alan Bicknell Barry Payne Susan Tindal Thomas Garrod (appointed 18 June 2019) Tim Sweeting Susan Gothard (resigned 10 July 2019)
Trustees	Barry Payne, Chair of Trustees Susanne McDonnell (appointed 18 June 2019) Victoria McKenzie (appointed 10 June 2019) Miriam Jones Brian Conway Dale Coleman Rachel Quick Alan Bicknell Matthew Price Gillian Hiles (resigned 10 July 2019) Jennifer Mangkusasono (appointed 10 July 2019)
Company registered number	09255088
Company name	The Wherry School Trust
Principal and registered office	The Wherry School 280 Hall Road Norwich Norfolk NR1 2GB
Company secretary	Dale A Coleman
Senior management team	Rachel M Quick, Principal Robert Speck, Vice Principal Danielle Winteringham, Assistant Principal
Independent auditors	Price Bailey LLP Chartered Accountants Statutory Auditors Anglia House, 6 Central Avenue St Andrews Business Park Thorpe St Andrew Norwich Norfolk NR7 0HR
Bankers	Lloyds Bank Surrey Street Norwich Norfolk NR1 3NF

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

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 2019. 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 will operate as a free school Academy for pupils aged 4 to 19 serving a catchment area in Norfolk and Suffolk. It will have a pupil capacity number of 100, opened with 48 pupils in 2017, as at September 2019 the school has exceeded its growth plan and admitted 80 pupils.

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, Director and Governor 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

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance providers cover up to £10,000,000 on any one claim and details of the costs are disclosed in Note 13 to the accounts (Summary of Cover provided by RPA).

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 is to open will compromise of 11 Trustees (2 parents, 2 staff – including the Principal and 7 others).

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 involves 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.

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, Leadership and Management Committee (Finance) meet at least 4 times per year. The Board of Trustees is responsible for the strategic direction of the Academy. The Board reviews 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 may 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.

In 2018-19 no transactions took place with organisations in which members of the Board have an interest.

The Trust does not have a formal sponsor.

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

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:

- Continuing recruitment of staff in line with objectives and planned growth model
- Successful admission of pupils in line with the proposed growth plan, managing additional admissions of pupils via tribunal
- Strengthening of Trust Board at both Trustee and Member level
- Self-review and evaluation to inform the School Development and Improvement Plan (SDIP) to direct the work of the school relative to Ofsted criteria
- Successfully engaging with the Department for Education DFE, through regular monitoring, during the 7 term monitoring phase of a new academy - ensuring preparedness for Ofsted and external inspection
- Ensuring a thorough review of the curriculum has been completed, inline with the new Ofsted Inspection Framework (from September 2019)
- Creation of a teaching and assessment framework for an informal curriculum to meet the specific wider needs of pupils with autism and communication disorders

Our success in fulfilling our aims can be measured by:

- The ongoing reports from the Department for Education Advisers (DFE EA), monitoring outcomes for pupils, quality of teaching and learning, including the curriculum, quality of leadership and management, pupils' behaviour and personal attitudes.
- The continuing successful recruitment of all staff including classroom teachers and support staff, building staff and office and administrative support staff
- The development of the Key Stage 4 (GCSE) offer for pupils, to include up to 11 GCSEs for year 10 pupils from September 2019: recruitment of staff for the GCSE offer subjects
- Ensuring that the school is registered as an exam centre, to allow for the delivery and assessment of GCSE courses from exam providers
- The ongoing purchasing of classroom and infrastructure resources to allow for the delivery of the school curriculum, including the creation of ani-media suite and the opening of a further 2 classrooms
- The expansion of the commissioned clinical support team, including Educational Psychologists, Child Psychologists, Speech and Language Therapist, specialist ASD advisers, Occupational Therapists.
- The completion of school development targets, including provision for pupils to access mainnstream 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.

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

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 administrated 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 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.

Funding in the Year consisted of:

- ESFA IT procurement grant – Year 3
- ESFA funding agreement income - Pupil placement income per child, in line with the agreed Growth plan
- Local Authority Top Up funding, per placement costs
- As numbers of pupils admitted to the school exceeded the growth plan, additional placement costs are received from the commissioning Local Authority
- Pupil Premium, Sports Premium, Top Up funding (Year 7 Catch-up Funding)
- Other donations

The academy trust was operating within its budget for the financial year ended 31 August 2019.

The key performance indicators reviewed by the Trust are as follows:

- To ensure pupils make expected progress with regards to their starting points, where possible attain in line with National Average indicators in Reading, Maths and Grammar Punctuation and Spelling at KS2 – pupil progress at KS2 The Wherry School remains challenging, as this is based on pupils' capacity to independently complete statutory assessments – Teacher assessment is used to complement testing arrangements and provide a more rounded viewpoint of pupil progress over the last 2 years since The Wherry School opened.

- Key Stage 2 data indicates that pupil progress in Reading sits within the average range: Reading and Writing are below average in tests.

- To ensure pupils make expected progress with regards to their starting points, to attain in line with National Average indicators in Reading, Maths and Writing at KS1 – small cohorts (2 pupils) – 100% pupils achieved expected level in Reading, 100% of pupils working towards expected level in Maths and Writing. Teacher assessments indicate that pupils in computer based assessments (GL) indicate pupil attainment in KS2 should demonstrate increasing confidence and improvements.

- To ensure that the school structure is able to offer appropriate curricular including GCSE options are available for pupils – September 2019 the school structure included options for 11 GCSEs/Entry Level 1/2 assessments.

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. Total income received in the year was £2,152,847. Included within this amount was £48,512 received from capital grants and donations for the equipping of the school.

During the year the Trust spent £2,381,548 on expenditure, including £236,571 for depreciation in relation to the school building project, ICT Infrastructure and hardware.

The Trust had brought forward balances on unrestricted funds of £545, restricted funds of £160,076 and £7,169,515 of restricted fixed asset fund. The carry forward balance on unrestricted funds is £758, restricted funds is (£11,158) and restricted fixed asset funds is £7,023,835.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a pension deficit of £321,000. 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 £758.

The cash balance of the Academy has been healthy all year, ending the year with a balance £360,709. 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.

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.

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. This is 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.

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 to prepare for a possible conversion to a Multi Academy Trust (MAT)
- If approved to become a Sponsoring MAT, then the appointment of new Member and Trustees along with CEO Designate and Finance and Operations Director
- If approved as a Sponsor MAT by the DfE then apply to run a new Specialist Free School within Norfolk and/or Suffolk
- Achievement of individual role targets for 2019/20
- Continuing development of the curriculum and associated resources, including those required at Key Stage 4/GCSE offer and ensuring that the school can take pupils at the Early Years Phase as required
- Preparation and Development of the Post 16 offer already for 2020/21 academic year
- 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 and supports the development and review of the school informal curriculum offer

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 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 on 18 December 2019 and signed on its behalf by:

Barry Payne
(Chair of Trustees)

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.

Trustee 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
Alan Bicknell	1	3
Brian Conway	3	3
Rachel Quick	3	3
Dale Coleman	2	3
Gillian Hiles	2	2
Matthew Price	3	3
Susanne McDonnell	1	1
Victoria McKenzie	0	1
Miriam Jones	2	3
Jennifer Mangkusasono	0	0
On top of this the following observers also attended.		
Robert Speck (Vice Principal)	3	3
Dani Winteringham (Assistant Head Teacher)	2	3

The Board of Trustees undertook at self-appraisal/skill set 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
- Parent Trustee with experience of criminal and civil law
- Experienced Outreach Teacher with mainstream schools
- Experiences Teacher with knowledge of mainstream and SEND

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.

Governance (continued)

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. In addition, recently, a staff trustee was appointed and is now actively working in both the Full board of Trustees and within a Committee.

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

Committees

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.
- To review the outcomes achieved by pupils in statutory assessments and from in-school monitoring demonstrate good progress, that the school's judgements with regards to progress and quality of teaching and learning, are accurate and in-line with judgements made from external review.
- To create an accurate school self-review, which forms the basis of the School Development and Improvement plan.

Governance (continued)

The Leadership and Management Committee meets 4 times a year, whereby management reports relating to the financial position and financial health of the school are considered. Information is reported to the Full Governing Body: management accounts are considered at 2 further Full Governing Body Meetings. As the Trust does not have annual income over £50 million, there does not have to be a dedicated audit committee; members of the Leadership and Management Committee form the Audit Committee, who appoint the external auditors, ensure management reports and information is available during the External Audit period and receive the Audited Accounts, Management Letter and recommendations, on behalf of the Full Governing Body. The findings from the Audit are shared with the Full Governing Body.

Committee Structure and Attendance 2018/19

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Dale Coleman (Chair)	5	5
Barry Payne	5	5
Brian Conway	5	5
Rachel Quick	5	5

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 – Year 3
- Working with trustees and the senior leadership team 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.

GOVERNANCE STATEMENT (CONTINUED)

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 ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of the hose 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

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/Audit) Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Internal scrutiny activity undertaken by the Trust Financial Director
- 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 Trusteess has considered the need for a specific internal audit function, in 2018/19 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). In 2019/20 further internal scrutiny will be undertaken by Educator Solutions colleagues.

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.

GOVERNANCE STATEMENT (CONTINUED)

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 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 18 December 2019 and signed on their behalf by:

Barry Payne
Chair of Trustees

Rachel Quick
Accounting Officer

THE WHERRY SCHOOL TRUST

(A Company Limited by Guarantee)

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 2018.

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

I confirm that 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: 18 December 2019

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

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

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

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

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

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

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

Approved by order of the members of the board of Trustees on 18 December 2019 and signed on its behalf by:

Barry Payne
Chair of Trustees

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 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE WHERRY SCHOOL TRUST (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE WHERRY SCHOOL TRUST (CONTINUED)

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

John Warren BSc FCA (Senior Statutory Auditor)
for and on behalf of
Price Bailey LLP
Chartered Accountants
Statutory Auditors
Reporting Accountant
Anglia House, 6 Central Avenue
St Andrews Business Park
Thorpe St Andrew
Norwich
Norfolk
NR7 0HR

18 December 2019

INDEPENDENT REPORTING ACCOUNTANT'S 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 2018 to 2019, 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 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

Approach

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

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

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

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

INDEPENDENT REPORTING ACCOUNTANT'S 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 suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Price Bailey LLP
Reporting Accountant
Anglia House, 6 Central Avenue
St Andrews Business Park
Thorpe St Andrew
Norwich
Norfolk
NR7 0HR

Date: 18 December 2019

THE WHERRY SCHOOL TRUST

(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	4	286	5,493	48,512	54,291	45,050
Charitable activities	5	4,963	2,084,282	-	2,089,245	1,669,256
Other trading activities	6	9,122	-	-	9,122	2,453
Investments	7	189	-	-	189	545
Total income		14,560	2,089,775	48,512	2,152,847	1,717,304
Expenditure on:						
Charitable activities	8	14,347	2,130,630	236,570	2,381,547	1,614,008
Total expenditure		14,347	2,130,630	236,570	2,381,547	1,614,008
Net income/(expenditure)		213	(40,855)	(188,058)	(228,700)	103,296
Transfers between funds	18	-	(42,378)	42,378	-	-
Net movement in funds before other recognised gains/(losses)		213	(83,233)	(145,680)	(228,700)	103,296
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(88,000)	-	(88,000)	(53,000)
Net movement in funds		213	(171,233)	(145,680)	(316,700)	50,296
Reconciliation of funds:						
Total funds brought forward		545	160,076	7,169,515	7,330,136	7,279,840
Net movement in funds		213	(171,233)	(145,680)	(316,700)	50,296
Total funds carried forward		758	(11,157)	7,023,835	7,013,436	7,330,136

The notes on pages 25 to 47 form part of these financial statements.

THE WHERRY SCHOOL TRUST

(A Company Limited by Guarantee)
REGISTERED NUMBER: 09255088

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note		2019 £		2018 £
Fixed assets					
Tangible assets	14		6,997,285		7,169,515
			6,997,285		7,169,515
Current assets					
Debtors	15	43,093		208,502	
Cash at bank and in hand		360,709		331,797	
		403,802		540,299	
Creditors: amounts falling due within one year	16	(66,651)		(213,678)	
Net current assets			337,151		326,621
Total assets less current liabilities			7,334,436		7,496,136
Net assets excluding pension liability			7,334,436		7,496,136
Defined benefit pension scheme liability	23		(321,000)		(166,000)
Total net assets			7,013,436		7,330,136
Funds of the academy trust					
Restricted funds:					
Fixed asset funds	18	7,023,835		7,169,515	
Restricted income funds	18	309,843		326,076	
Restricted funds excluding pension reserve	18	7,333,678		7,495,591	
Pension reserve	18	(321,000)		(166,000)	
Total restricted funds	18		7,012,678		7,329,591
Unrestricted income funds	18		758		545
Total funds			7,013,436		7,330,136

The financial statements on pages 22 to 47 were approved by the Trustees, and authorised for issue on 18 December 2019 and are signed on their behalf, by:

Barry Payne
Chair of Trustees

The notes on pages 25 to 47 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 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	81,016	(177,794)
Cash flows from investing activities	21	(52,104)	480,732
Change in cash and cash equivalents in the year		28,912	302,938
Cash and cash equivalents at the beginning of the year		331,797	28,859
Cash and cash equivalents at the end of the year	22	360,709	331,797

The notes on pages 25 to 47 form part of these financial statements

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

1. 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.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

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

The Wherry School Trust meets the definition of a public benefit entity under FRS 102.

2.2 Going concern

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

2. Accounting policies (continued)

2.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

2.4 Expenditure

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

- **Charitable activities**

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

  All resources expended are inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2. Accounting policies (continued)

2.6 Taxation

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

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

2.7 Tangible fixed assets

Assets costing £1000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on the following bases:

Freehold property	- 2%
Furniture and equipment	- 25%
Computer equipment	- 20%

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.

2.8 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.

2.9 Cash at bank and in hand

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

2. Accounting policies (continued)

2.10 Liabilities and provisions

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

2.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2.12 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2. Accounting policies (continued)

2.13 Pensions

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

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

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

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

2.14 Fund accounting

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

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

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

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

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

3. 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 accounting estimates and assumptions:

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

4. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Upon set up of free school	-	-	-	(52,000)
Donations	286	41,153	41,439	28,311
Capital grants	-	12,852	12,852	68,739
Subtotal	286	54,005	54,291	97,050
	286	54,005	54,291	45,050
Total 2018	1,850	43,200	45,050	

In 2018, the negative income totaling £52,000 related to restricted funds.

In 2018, total donations were £28,31, of which £1,850 was unrestricted income, £7,814 was restricted income and £18,647 was restricted fixed asset income.

In 2018, capital grants totaled £68,739 and related solely to the fixed asset fund.

5. Funding for the academy trust's provision of education

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	657,000	657,000	583,000
Other Dfe/EFA grants	-	47,152	47,152	39,368
	-	704,152	704,152	622,368
Other government grants				
Local Authority grants	-	1,364,998	1,364,998	1,035,073
	-	1,364,998	1,364,998	1,035,073
Other income from educational operations				
Income from other schools	-	-	-	1,900
Other income for educational activities	-	15,132	15,132	3,559
Catering income from pupils	4,963	-	4,963	6,356
	4,963	15,132	20,095	11,815
	4,963	2,084,282	2,089,245	1,669,256
Total 2018	6,356	1,662,900	1,669,256	

In 2018, all income from educational operations was restricted, with the exception of catering income from pupils which totaled £6,356.

6. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Catering income from staff	7,139	7,139	2,245
Rental income	-	-	90
Other trading income	1,983	1,983	118
	9,122	9,122	2,453

In 2018, all income from other trading activities was unrestricted.

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

7. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	189	189	545

In 2018, all investment income was unrestricted.

8. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Provision of Education:					
Direct costs	1,540,179	-	79,805	1,619,984	1,067,330
Support costs	100,033	187,814	473,716	761,563	546,678
	1,640,212	187,814	553,521	2,381,547	1,614,008
Total 2018	1,102,356	191,500	320,152	1,614,008	

In 2019, expenditure totaling £14,347 is unrestricted (2018: £11,153), £2,130,631 is restricted (2018: £1,423,303) and £236,570 relates to the restricted fixed asset fund (2018: £179,552).

In 2018, included within direct costs were £1,002,861 of staff costs and £64,469 of other costs.

In 2018, included within support costs were £99,495 of staff costs, £191,500 of premises costs and £255,683 of other costs.

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

9. Charitable Activities

	2019 £	2018 £
Direct costs - educational operations	161,984	1,067,330
Support costs - educational operations	761,564	546,678
	923,548	1,614,008

Analysis of support costs

	2019 £	2018 £
Support staff costs	100,033	99,495
Depreciation	236,570	179,552
Technology costs	25,987	21,153
Premises costs	52,748	55,873
Other support costs	334,691	181,965
Governance costs	11,535	8,640
	761,564	546,678

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	2,891	2,051
Depreciation of tangible fixed assets	236,570	179,552
Fees paid to auditors for:		
- audit	6,245	5,950
- other services	17,215	3,065

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	1,253,428	828,467
Social security costs	106,084	73,275
Pension costs	280,700	200,054
	1,640,212	1,101,796
Agency staff costs	-	560
	1,640,212	1,102,356

b. Staff numbers

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

	2019 No.	2018 No.
Teaching	15	9
Administration and support	37	21
Management	4	4
	56	34

c. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	1	1

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's national insurance and pension contributions) received by key management personnel for their services to the academy trust was £246,825 (2018: £238,794). Included within this figure are employer national insurance contributions totaling £22,914 (2018: £21,973) and employer pension contributions totaling £31,812 (2018: £30,574).

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

12. 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 staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019 £	2018 £
Rachel Quick	Remuneration	75,000 - 80,000	75,000 - 80,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000
Victoria McKenzie	Remuneration	5,000 - 10,000	
	Pension contributions paid	0 - 5,000	

During the year ended 31 August 2019, expenses totaling £1,386 were reimbursed or paid directly to 2 Trustees *(2018 - £2,588 to 5 Trustees)*.

13. Trustees' and Officers' insurance

The academy trust has opted into the Department of 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 membership.

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

14. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2018	6,974,972	235,913	139,531	7,350,416
Additions	-	64,340	-	64,340
At 31 August 2019	6,974,972	300,253	139,531	7,414,756
Depreciation				
At 1 September 2018	135,627	21,521	23,753	180,901
Charge for the year	135,066	73,599	27,905	236,570
At 31 August 2019	270,693	95,120	51,658	417,471
Net book value				
At 31 August 2019	6,704,279	205,133	87,873	6,997,285
At 31 August 2018	6,839,345	214,392	115,778	7,169,515

15. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	8,302	1,066
Other debtors	587	-
Prepayments and accrued income	17,895	185,200
VAT recoverable	16,309	22,236
	43,093	208,502

16. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	12,523	52,842
Other taxation and social security	29,882	19,803
Accruals and deferred income	24,246	141,033
	66,651	213,678

17. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through income and expenditure	-	-
Financial assets measured at amortised cost	387,012	517,726

	2019 £	2018 £
Financial liabilities		
Financial liabilities measured at amortised cost	(36,769)	(193,875)

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.

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

18. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted funds	545	14,560	(14,347)	-	-	758
Restricted general funds						
Other government grants	326,076	1,364,998	(1,691,074)	-	-	-
General Annual Grant (GAG)	-	657,000	(304,779)	(42,378)	-	309,843
Pupil Premium	-	25,125	(25,125)	-	-	-
Other DfE/ESFA grants	-	22,027	(22,027)	-	-	-
Other restricted	-	20,625	(20,625)	-	-	-
Pension reserve	(166,000)	-	(67,000)	-	(88,000)	(321,000)
	160,076	2,089,775	(2,130,630)	(42,378)	(88,000)	(11,157)
Restricted fixed asset funds						
Restricted Fixed Assets	7,163,979	-	(226,109)	21,962	-	6,959,832
DfE/ESFA capital grants	-	12,852	-	(12,852)	-	-
Fixed asset donations	-	35,660	-	(9,110)	-	26,550
Capital Expenditure from GAG	5,536	-	(10,461)	42,378	-	37,453
	7,169,515	48,512	(236,570)	42,378	-	7,023,835
Total Restricted funds	7,329,591	2,138,287	(2,367,200)	-	(88,000)	7,012,678
Total funds	7,330,136	2,152,847	(2,381,547)	-	(88,000)	7,013,436

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

18. Statement of funds (continued)

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 trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

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.

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 pension scheme are set out in note 23 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 DfE capital grants and capital donations.

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

18. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2018 £
Unrestricted funds					
Unrestricted funds	494	11,204	(11,153)	-	545
Restricted general funds					
Other government grants	-	1,035,073	(708,997)	-	326,076
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 restricted	-	13,273	(13,273)	-	-
Start up grant	23,438	-	(23,438)	-	-
Pension reserve	-	(52,000)	(61,000)	(53,000)	(166,000)
	23,438	1,618,714	(1,423,303)	(58,773)	160,076
Restricted fixed asset funds					
Restricted fixed assets	6,770,925	-	(179,315)	572,369	7,163,979
DfE/ESFA capital grants	484,983	68,739	-	(553,722)	-
Fixed asset donations	-	18,647	-	(18,647)	-
Capital Expenditure from GAG	-	-	(237)	5,773	5,536
	7,255,908	87,386	(179,552)	5,773	7,169,515
Total Restricted funds	7,279,346	1,706,100	(1,602,855)	(53,000)	7,329,591
Total funds	7,279,840	1,717,304	(1,614,008)	(53,000)	7,330,136

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

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	1	-	6,997,284	6,997,285
Current assets	757	376,494	26,551	403,802
Creditors due within one year	-	(66,651)	-	(66,651)
Provisions for liabilities and charges	-	(321,000)	-	(321,000)
Total	758	(11,157)	7,023,835	7,013,436

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	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)
Total	545	160,076	7,169,515	7,330,136

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

20. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2019 £	As restated 2018 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(228,700)	103,296
Adjustments for:		
Depreciation	236,570	179,552
Capital grants from DfE and other capital income	(12,852)	(574,516)
Defined benefit pension scheme obligation inherited	-	52,000
Defined benefit pension scheme cost	172,000	122,000
Defined benefit pension scheme contributions payable	(105,000)	(61,000)
Decrease in debtors	19,522	1,176,759
Decrease in creditors	(335)	(1,175,340)
Bank interest received	(189)	(545)
Net cash provided by/(used in) operating activities	81,016	(177,794)

21. Cash flows from investing activities

	2019 £	As restated 2018 £
Bank interest	189	545
Purchase of tangible fixed assets	(211,032)	(858,000)
Capital grants from DfE Group and other capital income	158,739	1,338,187
Net cash (used in)/provided by investing activities	(52,104)	480,732

22. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank	360,709	331,797
Total cash and cash equivalents	360,709	331,797

23. Pension commitments

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting And Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go 'basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

23. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the year amounted to £113,700 *(2018 - £81,509)*.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £134,000 *(2018 - £79,000)*, of which employer's contributions totalled £105,000 *(2018 - £61,000)* and employees' contributions totalled £ 29,000 *(2018 - £18,000)*. The agreed contribution rates for future years are 20.8 per cent for employers and 5.5 - 12.5 per cent for employees.

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

23. Pension commitments (continued)

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	2.60	2.60
Rate of increase for pensions in payment/inflation	2.30	2.30
Discount rate for scheme liabilities	1.80	2.80
Commutation of pensions to lump sums	50	50

The commutation rate of 50% relates to pre April 2008 service and increased to 75% for post April 2008 service.

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

	2019 Years	2018 Years
Retiring today		
Males	21.1	22.1
Females	23.5	24.4
Retiring in 20 years		
Males	22.4	24.1
Females	25.0	26.4

As at the 31 August 2019 the Trust had a pension liability of £321,000 (2018 - £166,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way;

Sensitivity analysis

	2019 £	2018 £
Discount rate +0.1%	(14,760)	(10,048)
Discount rate -0.1%	14,760	10,048
Mortality assumption - 1 year increase	4,920	2,512
Mortality assumption - 1 year decrease	(4,920)	(2,512)
CPI rate +0.1%	13,530	9,420
CPI rate -0.1%	(13,530)	(9,420)

23. Pension commitments (continued)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	144,000	75,000
Bonds	106,000	50,000
Property	35,000	18,000
Cash	9,000	4,000
Total market value of assets	294,000	147,000

The actual return on scheme assets was £12,000 *(2018 - £34,000)*.

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

	2019 £	2018 £
Current service cost	(165,000)	(120,000)
Past service cost	(2,000)	-
Interest income	6,000	2,000
Interest cost	(11,000)	(4,000)
Total amount recognised in the Statement of Financial Activities	(172,000)	(122,000)

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

	2019 £	2018 £
At 1 September	314,000	-
Upon set up of new free school	-	87,000
Current service cost	165,000	120,000
Interest cost	11,000	4,000
Employee contributions	29,000	18,000
Actuarial losses	94,000	85,000
Past service costs	2,000	-
At 31 August	615,000	314,000

23. Pension commitments (continued)

Changes in the fair value of the academy trust's share of scheme assets were as follows:

	2019 £	2018 £
At 1 September	148,000	-
Upon set up of new free school	-	35,000
Interest income	6,000	2,000
Actuarial losses	6,000	32,000
Employer contributions	105,000	61,000
Employee contributions	29,000	18,000
At 31 August	294,000	148,000

24. Operating lease commitments

At 31 August 2019 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	academy 2019 £	academy 2018 £
Not later than 1 year	2,891	2,891
Later than 1 year and not later than 5 years	176	3,067
	3,067	5,958

25. Members' liability

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

26. Related party transactions

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

The Wherry Trust received income from The Wherry Friends Association of £48,109 (2018: £21,559) who fundraise on behalf of The Wherry Trust. The amount due to the trust at 31 August 2019 is £48,109 (2018: £21,559).