
WISE OWL TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

WISE OWL TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

Mr I Chadwick
Mr G Larder
Mr D Savage
Mrs E Foster

Trustees

Mr D Savage
Mr G Larder
Mr I Chadwick, Chair
Mrs E Foster
Mr J Battle (ex officio)
Mrs V Tempest (ex officio)
Mr J Corcoran (ex officio)
Mr C O'Shaughnessy

Company registered number

8053288

Company name

Wise Owl Trust

Principal and registered office

Briscoe Lane Academy
Briscoe Lane
Manchester
M40 2TB

Senior management team

Mr C O'Shaughnessy, Chief Executive Officer
Mrs S Murfin, Executive Principal
Mrs C Hall, Principal (Briscoe Lane Academy)
Miss J Dennis, Principal (Seymour Road Academy)
Mrs H Brooker, Principal (Old Hall Drive)
Mrs D Ollerenshaw, Trust Business Manager

Independent auditor

Crowe U.K. LLP
3rd floor
The Lexicon
Mount Street
Manchester
M2 5NT

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The trustees, who are also directors for the purposes of company law, present their report and the audited financial statements of Wise Owl Trust ('the Company', 'Charitable Company' or 'the Trust') for the period from 1st September 2017 to 31st August 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Wise Owl Trust is a company limited by guarantee (No. 8053288) and an exempt charity in accordance with the Academies Act 2010. The charitable company's memorandum and articles of association, dated 1st May 2012, are the primary governing documents of the academy trust.

The charitable company was incorporated on 1st May 2012, and the fully transitioned operations of Briscoe Lane School commenced on 1st September 2012 following a decision by the governing body of the School and acceptance by the Secretary of State for Education that the School become an academy as of this date.

Seymour Road Primary School became part of Wise Owl Trust on 1st February 2014, Old Hall Drive Primary School became part of Wise Owl Trust 1st February 2016 the three Academies now form Wise Owl Trust. Briscoe Lane is a converter Academy, Seymour Road is a Sponsored Academy, Old Hall Drive Academy joined. All academies are for age 3-11 years.

The trustees of Wise Owl Trust are also the directors of the charitable company for the purposes of company law.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

Every member of the charitable company undertakes to contribute to the assets of the charitable 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 and to pay such amounts as may be required not exceeding £10 for the debt and liabilities contracted before he/ she ceased to be a member. The Secretary of State for Education can direct the trustees of the Trust in certain circumstances where the quality of education is deemed unsatisfactory.

Trustees' indemnities

There are no qualifying third party indemnity provisions. The Trust has purchased insurance to cover trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. Details of the costs can be found in note 11 of the accounts.

Principal activities

The Trust's principal activities are to advance for the public benefit education in the United Kingdom, in particular but 'without prejudice' to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

Method of recruitment and appointment of directors

The Members of the Trust are responsible for the appointment of Trust Directors except a minimum of two Parent Governors who will be appointed through an election process directed by the Local Governing Body. In

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the event that these positions are not filled, the members of the Trust are able to appoint to these positions.

The number of Directors shall be not less than three and shall not be subject to any maximum.

Policies and procedures adopted for the induction and training of directors

No formal policy has been adopted. Training requirements are discussed at directors' board meetings.

Organisational structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the funding agreements with the Department of Education. In addition to the trustees (see above), Local Governing Bodies have been appointed for each school within the Trust. These bodies will report to the Board of Trustees. The Trust receives regular reports from the Academy Business Manager on finance and related issues.

The Board of Trustees meets on at least three occasions per year.

The day to day running of the Trust is delegated by the trustees to management under the leadership of the Chief Executive Officer, who is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

This falls within the remit of both, the Appraisal and Pay policies, the key management personnel are listed in the Reference and Administrative Information section.

The key management personnel will be appraised by the Trust, supported by a suitably skilled and/or experienced external advisor who has been appointed by the Trust for that purpose. The task of appraising the key management personnel will be delegated to a sub-group consisting of two members of the Trust including the Chair of the LGB as appropriate. The Trust Business Manager is appraised by the CEO.

The Trust determines the salary arrangements for the key management personnel and these are reviewed annually as part of the performance management process. Trustees including Chairs of LGBs, as appropriate, review performance against targets for any contractual bonus payments. This review has regard to the specific responsibilities of the role, the challenges that are specific to the role, sustained performance, the growth of capacity within the Trust and all other relevant considerations.

Trade Union facility time

No time was spent on Trade Union Facilities Time.

Risk management

A Risk Register is produced for the Trust as a whole and is reviewed at least annually. The Risk Register is a standing item on the agenda of Directors' Board Meetings and Academy Governing Body meetings.

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

A formal review of the Trust's risk management process has been undertaken and key controls put in place to including:

- formal agendas for all committee activity;
- terms of reference for all governing body and delegated committees under the direction of the governing

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body;

- pecuniary interests of governors are reviewed annually; comprehensive budgeting and management reporting; established organisational structure and clear lines of reporting; formal written policies;
- clear authorisation and approval levels and
- vetting procedures as required by law for the protection of the vulnerable

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed. Further details of financial and risk management are included on page 14 of this report.

Connected organisations and related parties

Although there are a number of professional links to other schools and third party organisations, the Trust is an independent company with no affiliation to outside bodies. The Trust also works closely with a wide variety of other bodies in the field of education.

None of these organisations are considered to constitute formal related parties.

OBJECTIVES AND ACTIVITIES

Objects and aims

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

The Trust believes that all pupils deserve the best education. Pupils' should be enabled to follow the trust motto of 'Together Everyone Achieves More'. Our mission is to educate and inspire through the provision of an outstanding primary school, which understands and addresses the specific needs of our pupils, families and communities.

Our Vision

We will engage young people, their families and communities in learning; place an onus on academic success; increase aspirations; and provide outstanding teaching, support and care.

We will become a beacon of excellence for academic provision locally and nationally, providing our pupils with the increased opportunities that harness their potential, allowing them to excel in life and make a positive contribution to society.

1) The following characteristics address the significant outcomes of Wise Owl Trust and the range of provision required:

- All learners should achieve their best and should:
- Be safe and protected at all times.
- Be highly engaged and stimulated with enthusiastic attitudes to learning.
- Contribute to the positive ethos of the school.
- Manage their own behaviour with support if required.
- Understand that bullying of any sort is unacceptable.
- Be aware of how to stay safe.
- Know their next steps for learning.
- Make rapid and sustained progress from their starting points.
- Have an in depth knowledge of subjects across the curriculum.
- Be able to apply core skills in many areas.

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TRUSTEES' REPORT (continued)
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- Be assessed effectively and systematically and then taught accordingly.
- Be given marking and feedback that will enable progress to take place.
- Have their learning reviewed regularly throughout lessons.
- Receive appropriate and regular homework.
- Be given extracurricular opportunities to learn new skills or to use skills that have been learned previously in the classroom.
- Be given memorable experiences.

2) High quality provision is non-negotiable

- By appointing outstanding teachers and leaders who can create the reality and sustain such quality. Our staff's role is to deliver outcomes for learners by:
 - Enabling a safe environment to learn.
 - Engaging pupils in their learning through a stimulating and enjoyable curriculum RESPECT
 - Contributing to the positive ethos of the school.
 - Organising personalised learning pathways for all pupils based on current knowledge of the child.
 - Striving for rapid and sustained progress for every child based on their starting points.
 - Using excellent subject knowledge to set challenging tasks for all.
 - Enabling core skills to be used in all areas of the curriculum.
 - Enabling pupils and parents to be aware of their next steps of improvement.
 - Assessing effectively and planning this knowledge into future teaching.
 - Being aware of children's needs throughout lessons.
 - Promoting resilience, confidence and independence.
 - Being open to change to improve outcomes for children.
 - Reflecting and evaluating their performance and that of the children in their care.
 - Following school procedures for planning, delivery and assessment.
 - Developing innovative and effective partnerships with the wider community
 - Providing a comprehensive programme of learning 'outdoors' including links with cultural and heritage centres; residential study visits and investment in community-based activities.
 - Ensuring full access and facilities for those with limited mobility, partial sensory deprivation or specific learning needs.

3) School Leaders and Governors will:

- Ensure that the vision and ethos of the Trust is upheld.
- Ensure the safety of everyone in the school.
- Improve attainment and achievement for all groups to a high level and then sustaining it.
- Lead by example, through practice, professionalism, enthusiasm, support and challenge to strive for the best outcomes of our children, educationally, spiritually, morally, socially and culturally.
- Use resources to enable a highly positive and memorable curriculum
- Have a relentless focus on improving teaching and learning to outstanding and sustaining it when it gets there.
- Question, challenge, evaluate and understand the school's performance and its next steps for development.
- Be highly ambitious for the school(s) and will be willing to share practice over the trust for the benefit of all.
- Engage with the community and parents to enable positive relationships and positive outcomes for all.
- Ensure staff and pupils are accountable for the improvement of the school.
- Ensure that all schools within the trust take part in trust events that enable the larger family of schools to feel as one.
- Ensure that the wider community will have well educated children who will influence the workforce of future generations.
- Ensure that the wider community will have pupils leaving school who will want to enable the community

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to be cohesive in the future.

The Wise Owl Academies Trust Board of Directors will be ultimately responsible for the quality of teaching and learning within the Academy and for ensuring that the Academy achieves its challenging targets.

The Trust will have representation from the governing bodies and for the Chair of the local governing body to sit on the Wise Owl Trust Board. This will ensure that there is regular communication between local Governing Body and Board level so that any issues are dealt with promptly. In line with Appraisal and Pay policies the chair of the LGBs will form part of the pay review committee for the Principal of their Academy with other Trustees and an External Adviser. Governors will formally report back to the Board of Directors every term.

Wise Owl Trust is accountable to the Secretary of State for the performance of any of the schools in its trust and will use its emergency powers and override decisions by the Local Governing Body if required to enable more positive outcomes for the pupils' and stakeholders in its stewardship.

Objectives, strategies and activities

The Trust's strategic objectives for the period ended 31 August 2018 were: -

- To provide a safe environment with opportunities where pupils can acquire knowledge and skills to develop their full potential, in every sense; that is, personal, moral, spiritual, cultural, physical as well as academic.
- To understand each pupil's learning needs to enable them to access the curriculum fully with pace and significant progress matched to their ability.
- To ensure any pupil falling behind is given timely, appropriate and relevant catch- up support.
- To ensure a wide variety of teaching methods are understood by staff and used appropriately for most effective learning.
- To provide data and assessment of the highest quality to inform staff effectively of their pupil's progress for their lesson planning.
- To encourage and support all staff to develop their professional skills and experience to the highest level both individually and as members of appropriate teams.
- To have secure financial systems based on a business model to enable the development of revenue and capital streams in order to generate opportunities for staff and pupils; and to generate and maintain a quality and appropriate physical environment with excellent facilities.
- To engage with all the stakeholders pupils, parents, staff, governors, Trust directors, neighbours, local authority and government to create common purpose in order both to satisfy our social obligations and retain our license to operate, and to gain advantage from contributions, skills and policies at all levels.

The objectives set above have been developed during the current period, a full review of the outcomes will be completed during the next financial year.

Attendance - the attendance level achieved for the period was:

Briscoe Lane Academy	(Sept 2017 – July 2018)	95%
Seymour Road Academy	(Sept 2017 – July 2018)	96%
Old Hall Drive Academy	(Sept 2017 – July 2018)	96%

Permanent exclusions - the aim is to have permanent exclusions only in exceptional circumstances. The Trust had 1 permanent exclusion during the period 1st September 2017 to 31st August 2018 inclusive.

Staffing - the average number of (full time equivalent) staff employed during the period 1st September 2017 to 31st August 2018 was 255.

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Public benefit

The Academy Trust directors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

The schools' catchment areas are as designated in the Admissions Policies and have not changed since academy status. School governors have reviewed the pupil admissions policies' and consider there to be no barriers to entry on the grounds of gender, ethnicity or family circumstances.

ACHIEVEMENTS AND PERFORMANCE

The Trust comprised one converter Academy - Briscoe Lane Academy, one sponsored Academy and one joiner Academy. The Trust's charitable objects are entirely concerned with education, and the vision is;

Together Everyone Achieves More.

Educational performance for the year has been very good, and key targets for the new academic year have been set.

TRUST DATA 2018 Outcomes

EYFS

	2016	2017	2018	National
BLA	62.90%	58.90%	64%	71.50%
SRA	70.50%	66%	72%	
OHD	61.40%	63.20%	63%	

Phonics

	2016	2017	2018	National
BLA	80.30%	69%	73%	82.70%
SRA	82.70%	81.70%	83%	
OHD	78.30%	81.00%	80%	

Phonics re-takes

	2016	2017	2018	National
BLA			79%	
SRA			90%	
OHD		78.30%	83%	

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KS1

		2016	2017	2018	National
BLA	Read	83%	75%	69% (77% core data)	76%
	Read GD	15%	20%	13% (14%)	25.70%
	Write	70%	67%	67% (77%)	70%
	Write GD	1.70%	14.80%	7 % (7%)	16%
	Maths	80%	75%	75% (83%)	76%
	Maths GD	0%	16.40%	13% (16%)	21.80%
	RWM EXPECTED				65.40%
	RWM HIGHER STANDARD				11.70%

SRA	Read	72.90%	77.40%	75%	76%
	Read GD	10.20%	11.30%	17%	25.70%
	Write	71.20%	67.90%	70%	70%
	Write GD	0%	9.40%	13%	16%
	Maths	78%	71.70%	71%	76%
	Maths GD	8.50%	11.30%	17%	21.80%
	RWM EXPECTED			68%	65.40%
	RWM HIGHER STANDARD			12%	11.70%

OHD	Read	83.30%	73.30%	73%	76%
	Read GD	35%	23.30%	29%	25.70%
	Write	66.70%	56.70%	58%	70%
	Write GD	11.70%	6.70%	8%	16%
	Maths	78.30%	75%	75%	76%
	Maths GD	21.70%	13.30%	25%	21.80%
	RWM EXPECTED			58%	65.40%
	RWM HIGHER STANDARD			7%	11.70%

Green highlight - above national.
Bold - upward trend from 2017 outcomes.

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KS2

		2016	2017	2018	National
BLA	Read	77%	73%	82%	75%
	Read GD	13.70%	25%	14%	24%
	Write	90%	70%	77%	78%
	Write GD	17.60%	3.60%	12%	20%
	Maths	82%	86%	81%	76%
	Maths GD	11.8	35.70%	14%	24%
	Combined	69%	64%	70%	64% (GD 10%)

SRA	Read	71.90%	69.40%	74%	75%
	Read GD	8.80%	19.40%	25%	24%
	Write	77.20%	67.70%	73%	78%
	Write GD	8.80%	4.80%	15%	20%
	Maths	82.50%	77.40%	75%	76%
	Maths GD	10.50%	12.90%	25%	24%
	Combined			69% (GD 11%)	64% (GD 10%)

OHD	Read	61%	70%	71%	75%
	Read GD	8.50%	14.30%	26%	24%
	Write	78%	79%	81%	78%
	Write GD	1.70%	11%	11%	20%
	Maths	76.30%	82%	76%	76%
	Maths GD	0%	19.60%	13%	24%
	Combined	53.40%	66% (GD 5%)	63% (GD 6%)	64% (GD 10%)

Green highlight - above national

Bold - upward trend from 2017 outcomes.

Our key aims, in the area of development and achievement are:

- For children's attainment to be at least at age related expectations by the end of year 6 in line with the age related Expectations within the National Curriculum
- For all children to make at least better than expected progress from their level of entry
- For all teaching to be at least good, with large aspects at outstanding
- For core skills to be translated to other subjects
- To enable smooth and successful transition into secondary phase of education
- For leadership to be devolved so that all aspects of the Trust are highly effective.

These aims will be achieved through implementation of:

- Effective and appropriate CPD
- Individualised learning programmes

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TRUSTEES' REPORT (continued)
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- Effective data monitoring management
- Rigorous Assessments of Teaching and Learning
- Peer mentoring and coaching
- Clear levels of accountability throughout the Trust, driven through effective governance
- Using exemplary Practise to inform other developments

This approach will lead to pupils who are more engaged and afforded good teaching consistently. Which in turn, will evoke rapid and sustained improvement.

- Delivering a curriculum that focuses on individual children's needs.
- Delivering a curriculum that inspires
- Delivering a schooling of memorable experiences.
- Increasing the skills of staff so that all teaching is satisfactory with the majority being good or better within 12 months
- Creating a Senior Leadership Team that drives school improvement forward
- Making education fun and worthwhile.
- Making the school the hub of the community
- Highly successful Continued Professional Development for staff
- A proactive Academy Trust.

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies (note 1.2 in the financial statements).

Key Financial Performance Indicators

Since the Trust opened its first Academy in Sept 2012, the Trustees priority has been to develop systems and processes to enable it to function effectively as an independent organisation.

However, the Trust does monitor the level of reserves held, the number of pupils on roll and the prediction that those pupil numbers will continue to grow year on year for the next 5 years, the monitoring of attendance levels and standards of attainment – particularly EYFS, KS 1 & 2 results. Formal Key Performance Indicators may be introduced in future years if the Trust believes that this is beneficial to its operation.

FINANCIAL REVIEW

For the financial period ending 31st August 2018, financial performance has been analysed.

All schools within the Trust finished the year in a healthy financial position that was largely in line with budget expectations.

The main source of income for the Trust is revenue grant funding for individual academies. Funding is based largely on pupil numbers, and the key risk moving forward is a reduction in the number of pupils at schools within the Trust. It should be noted that the age demographic in East Manchester is likely to result in increased pupil numbers in the two primaries in the short to medium term.

Expenditure across the Trust is typical for the education sector with the main area of expenditure being staff cost.

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The trustees' policy on reserves is to strike a balance between financial prudence and achieving the Trust's objectives. It is acknowledged both that available assets should remain at a financially secure level and that current year government funding is to meet the educational needs of current year pupils.

Financial and Risk Management Objectives and Policies

The Trust has developed risk management procedures as outlined above and a formal review of the Trust's risk management process will be undertaken on an annual basis.

The Trust uses a variety of financial instruments, including cash and items such as trade debtors and trade creditors that arise directly from day to day activities. The main purpose of these financial instruments is to ensure liquidity for the Trust's operations.

Principal Risks and Uncertainties

The Trust has a comprehensive risk register and risk review process. The objectives will be to determine an approach, and where it is considered necessary put in place measures of control and mitigation in order to manage risk.

The principal risks are the loss of reputation, through falling standards, falling student rolls and failure to safeguard the students or a poor OFSTED report.

Key controls in place are:

- an organisational structure with defined roles, responsibilities and authorisation levels;
- terms of reference for the committees of the Governing Body;
- financial planning, budgeting and regular management reporting highlighting areas of financial risk;
- formal written and published policies for employees; and
- vetting procedures as required by law for the protection of the vulnerable.

The Trust's employees are members of two defined benefit pension schemes, the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). The Trust has recognised its share of the LGPS assets and liabilities in accordance with Financial Reporting Standard 102 Section 28. A deficit has been recognised at 31 August 2018. The TPS has been accounted for as a defined contribution scheme. Further details of the accounting policy adopted for each scheme are included in note 1 to the financial statements.

Due to the nature of the two pension schemes there is an underlying risk to the Trust which relates primarily to the uncertainty of the future funding requirements of each scheme, the results of which impact on the contribution rates for future employer contributions to each scheme. The Trustees have given due consideration to this risk.

Reserves Policy

The level of reserves held at 31st August 2018 total £1,207,525 (excluding the fixed asset, pension liability reserves and committed outstanding CIF expenditure).

Wise Owl Trust is committed to ensuring that the reserves that each academy holds gives a buffer to safeguard against unplanned events including uncertainty over future funding whilst ensuring that the majority of the income received is spent to meet the needs of the pupils of today to maximize their learning opportunities, to improve attainment and to provide educational environments that are stimulating and fit for purpose. The Trust works toward having a reserve of at least £400,000 to cover unexpected and unplanned costs. The Trust recognises that these are aspirational reserves and will monitor each individual academy's reserves annually as part of the budget planning process. An individual academy may choose to build up

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higher reserves over a longer period of time in order to facilitate a larger project e.g. major refurbishment project or to safeguard over future uncertainties.

The deficit on the Local Government Pension Scheme (at 31 August 2018) does not mean that an immediate liability crystallises. The deficit results in a cash flow effect for the Academy Trust in the form of possible future increases in pension contributions which, if required, will be met from the budgeted annual income. There is therefore considered to be no material impact on free reserves of the Academy Trust because of recognising the deficit.

Investment Policy

A formal investment policy has been adopted by Wise Owl Trust and will be reviewed annually.

The aim of the policy will be to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the Trust's 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 a result of good stewardship and as and when circumstances allow.

The Trust will, after constructing and reporting forecasts versus budgets, consider whether it is prudent to deposit funds into an account where improved terms are offered. As improved terms are generally only offered where funds are invested for a fixed term, it may be prudent for the Trust not to invest funds in this manner.

Fundraising

The charity had no fundraising activities requiring disclosure under the provisions of the Charities (Protection and Social Investment) Act 2016.

PLANS FOR FUTURE PERIODS

The aim is to provide a structure for continuous improvement and achievement at all key stages and the results to demonstrate year on year improvements.

The Trust has been approached by the Local Authority to consider expansion in particular Old Hall Drive Academy and utilising the playing field to expand 1 form entry. This is pending further demand.

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AUDITOR

In so far as the trustees are aware:

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

Crowe U.K. LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the charitable company receives notice under section 488(1) of the Companies Act 2006.

Approved by order of the board of trustees on 5th December 2018 and signed on its behalf by:

Mr I Chadwick
Chair of Trustees



Chris O'Shaughnessy
Accounting Officer



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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Wise Owl 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 Chief Executive Officer, 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 Wise Owl Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees, any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The board of trustees, has formally met 3 times during the Year. Attendance during the Year at meetings of the board of trustees, was as follows:

Trustee	Meetings attended	Out of a possible
Mr D Savage	3	3
Mr G Larder	2	3
Mr I Chadwick, Chair	2	3
Mrs E Foster	3	3
Mr J Battle (ex officio)	3	3
Mrs V Tempest (ex officio)	3	3
Mr J Corcoran (ex officio)	1	3
Mr C O'Shaughnessy	3	3

The Trust received regular termly reports from an Independent Responsible Officer in order to ensure robust systems of financial management. The Trust is responsible for all strategic financial related issues. An independent internal audit across both Academies was undertaken in the Autumn Term 2016.

REVIEW OF VALUE FOR MONEY

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

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

- The Trust has had a further successful CIF grant for central heating replacement at Briscoe Lane
- The Trust has produced detailed financial analysis of how pupil premium funding was spent and its impact on outcomes
- Collaboration across the three academies with regard to sharing good and outstanding practice is an effective and efficient use of staffing resources
- The Trust has secured reduced costs for some SLAs and services through combined purchasing across the Trust and this continues to be a key focus moving forward to ensure value for money
- CPD is co-ordinated centrally to ensure that we achieve economies of scale and that new initiatives/ideas from training courses are cascaded down across the Trust schools.

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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 an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Wise Owl Trust for the Year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees, has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees, is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the Year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees, .

THE RISK AND CONTROL FRAMEWORK

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

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

The board of trustees, has considered the need for a specific internal audit function and has decided to appoint as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

- Sample checks on payroll
- Random sampling of invoices
- Random sampling of petty cash transactions
- Evidence of segregation of duties
- Evidence of tendering processes adhered to
- VAT

On a termly basis, the auditor have been reported to the board of trustees, through the on the operation of the systems of control and on the discharge of the board of trustees, ' financial responsibilities.

The internal auditor has delivered the schedule of work as planned. There have been no material control issues arising from the audits but any recommendations have been implemented where practicable to further strengthen the Trust's financial procedures.

The Trust has continued to engage with an independent Finance Consultant who has focussed this year on

WISE OWL TRUST
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GOVERNANCE STATEMENT (continued)

budget forecasting and accurate projections for 3 - 5 years budget planning.

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Trust 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 5 December 2018 and signed on their behalf, by:

Mr I Chadwick
Chair of Trustees



Mr C O'Shaughnessy
Accounting Officer



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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Mr C O'Shaughnessy
Accounting Officer

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

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees 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 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees, on *5th December 2018.* and signed on its behalf by:

Mr I Chadwick
Chair of Trustees



WISE OWL TRUST
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WISE OWL TRUST

OPINION

We have audited the financial statements of Wise Owl Trust (the 'academy') for the Year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy 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'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.

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 Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and,

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WISE OWL TRUST

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 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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of trustees' responsibilities, the trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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'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 or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WISE OWL TRUST

AUDITOR'S 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 Auditor's 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 Auditor's report.

USE OF OUR REPORT

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



Vicky Szulist (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

3rd floor
The Lexicon
Mount Street
Manchester
M2 5NT

Date:

19th December 2018

WISE OWL TRUST
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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WISE OWL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 3 May 13 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Wise Owl Trust during the Year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF WISE OWL TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Wise Owl Trust's funding agreement with the Secretary of State for Education dated 21 May 2012, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the Year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WISE OWL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

CONCLUSION

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

Crowe UK LLP

Crowe U.K. LLP

Statutory Auditor

3rd floor
The Lexicon
Mount Street
Manchester
M2 5NT

Date: *19th December 2018*

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	-	41,389	499,023	540,412	3,769,094
Charitable activities	3	118,252	8,111,175	-	8,229,427	8,068,700
Investments	4	2,454	-	-	2,454	3,053
TOTAL INCOME		120,706	8,152,564	499,023	8,772,293	11,840,847
EXPENDITURE ON:						
Charitable activities		114,749	8,112,105	335,044	8,561,898	8,451,447
TOTAL EXPENDITURE	6	114,749	8,112,105	335,044	8,561,898	8,451,447
NET BEFORE TRANSFERS		5,957	40,459	163,979	210,395	3,389,400
Transfers between Funds	17	-	(214,783)	214,783	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		5,957	(174,324)	378,762	210,395	3,389,400
Actuarial gains on defined benefit pension schemes	21	-	743,000	-	743,000	791,000
NET MOVEMENT IN FUNDS		5,957	568,676	378,762	953,395	4,180,400
RECONCILIATION OF FUNDS:						
Total funds brought forward		204,450	(964,558)	12,081,737	11,321,629	7,141,229
TOTAL FUNDS CARRIED FORWARD		210,407	(395,882)	12,460,499	12,275,024	11,321,629

WISE OWL TRUST
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REGISTERED NUMBER: 8053288

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	12		12,007,060		11,855,853
CURRENT ASSETS					
Debtors	13	470,445		405,088	
Cash at bank and in hand		1,446,753		1,098,404	
			<u>1,917,198</u>	<u>1,503,492</u>	
CREDITORS: amounts falling due within one year	14	(224,556)		(265,307)	
NET CURRENT ASSETS			1,692,642		1,238,185
TOTAL ASSETS LESS CURRENT LIABILITIES			13,699,702		13,094,038
CREDITORS: amounts falling due after more than one year	15		(31,678)		(36,409)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			13,668,024		13,057,629
Defined benefit pension scheme liability	21		(1,393,000)		(1,736,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			12,275,024		11,321,629
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	997,118		771,442	
Restricted fixed asset funds	17	12,460,499		12,081,737	
Restricted income funds excluding pension liability		13,457,617		12,853,179	
Pension reserve		(1,393,000)		(1,736,000)	
Total restricted income funds			12,064,617		11,117,179
Unrestricted income funds	17		210,407		204,450
TOTAL FUNDS			12,275,024		11,321,629

The financial statements on pages 24 to 49 were approved by the trustees, and authorised for issue, on 5/12/18


Mr I Chadwick
Chair of Trustees

WISE OWL TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	19	320,311	52,538
Cash flows from investing activities:			
Interest		2,454	3,053
Purchase of tangible fixed assets		(468,159)	(898,998)
Capital grants from DfE Group		499,213	426,007
Net cash provided by/(used in) investing activities		33,508	(469,938)
Cash flows from financing activities:			
Repayments of borrowings		(5,470)	(1,996)
Net cash used in financing activities		(5,470)	(1,996)
Change in cash and cash equivalents in the Year		348,349	(419,396)
Cash and cash equivalents brought forward		1,098,404	1,517,800
Cash and cash equivalents carried forward	20	1,446,753	1,098,404

WISE OWL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Wise Owl Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy 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

The trust prepares three year budget forecasting which is updated and revisited regularly and identifies risks and how these will be mitigated. There is robust monitoring of budgets with regard to tracking income and expenditure against the budget, and monthly cash flow analysis. Strategic planning is performed to ensure that resources are allocated within each individual academies priorities and are affordable. There is collaboration across the Trust particularly with regard to staffing.

The trustees have set an aspirational reserves policy which outlines the Trust's expectations with regards to the building up of adequate reserves within individual academies which is reviewed annually. Two of the three academies within the Trust have healthy reserves. The third academy which joined the Trust in February 2016 will work towards achieving the same level of reserves over future years through effective and efficient budget planning.

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

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

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

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

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

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

Freehold property	-	50 years
Temporary property	-	25 years
Playground works	-	10 years
Furniture and fixtures	-	5 years
Plant and equipment	-	5 years
Computer equipment	-	4 years

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

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

1.6 Debtors

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

1.7 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.

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

1. ACCOUNTING POLICIES (continued)

1.8 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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 14 and 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.10 Taxation

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

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

1. ACCOUNTING POLICIES (continued)

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.12 Fund accounting

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

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

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

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

1. ACCOUNTING POLICIES (continued)

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	-	41,389	-	41,389	3,354,914
Government grants	-	-	499,023	499,023	414,180
	-	41,389	499,023	540,412	3,769,094
<i>Total 2017</i>	-	4,914	3,764,180	3,769,094	

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3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	6,026,206	6,026,206	5,971,484
Pupil Premium	-	1,082,641	1,082,641	1,050,824
Music Grant	-	9,322	9,322	7,521
Early Years Funding Grant	-	505,825	505,825	439,577
	-	7,623,994	7,623,994	7,469,406
Other government grants				
SEN Funding from MCC	-	195,978	195,978	121,369
Other Government Grants	-	291,203	291,203	215,966
	-	487,181	487,181	337,335
Other funding				
School Meal Income	83,280	-	83,280	84,112
Other School Income	34,972	-	34,972	177,847
	118,252	-	118,252	261,959
	118,252	8,111,175	8,229,427	8,068,700
<i>Total 2017</i>	<i>261,959</i>	<i>7,806,741</i>	<i>8,068,700</i>	

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Short term deposits	2,454	-	2,454	3,053
<i>Total 2017</i>	<i>3,053</i>	<i>-</i>	<i>3,053</i>	

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NOTES TO THE FINANCIAL STATEMENTS
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5. CHARITABLE ACTIVITIES

	Total funds 2018 £	<i>Total funds 2017 £</i>
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	2,759,244	2,621,685
National insurance	275,081	249,756
Pension cost	423,162	400,252
Educational supplies	751,635	797,297
Staff development	83,005	58,909
Other direct costs	51,300	50,359
	4,343,427	4,178,258
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	1,803,127	1,883,025
National insurance	121,005	121,511
Pension cost	662,638	577,487
School uniform fees	23,364	16,295
Depreciation	316,952	279,140
Maintenance of premises and equipment	188,528	322,881
Cleaning	18,755	18,476
Light and heat	93,301	82,933
Rent and rates	122,038	119,227
Insurance	82,701	108,593
Telephone and admin stationery	50,951	46,761
Catering	412,979	375,280
IT support costs	145,772	118,123
Legal and professional	151,325	195,759
Governance costs	25,035	7,698
	4,218,471	4,273,189
	8,561,898	8,451,447

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6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Educational Operations:					
Direct costs	3,450,368	-	893,059	4,343,427	4,178,258
Support costs	2,593,889	701,349	923,233	4,218,471	4,273,189
	<u>6,044,257</u>	<u>701,349</u>	<u>1,816,292</u>	<u>8,561,898</u>	<u>8,451,447</u>
<i>Total 2017</i>	<u>5,853,716</u>	<u>931,250</u>	<u>1,666,481</u>	<u>8,451,447</u>	

7. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	316,952	279,332
Auditor's remuneration - audit	11,000	11,000
Auditor's remuneration - other services	4,340	1,800
Governance Internal audit costs	730	3,240
Operating lease expenditure	<u>34,279</u>	<u>54,953</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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8. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	4,409,262	4,322,137
Social security costs	396,086	371,267
Operating costs of defined benefit pension schemes	1,085,800	977,739
	5,891,148	5,671,143
Supply staff costs	153,109	182,573
	6,044,257	5,853,716

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	88	81
Educational support	78	83
Clerical and administration	18	13
Premises	20	15
Lunchtime supervision	51	52
	255	244

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	0	1
In the band £90,001 - £100,000	0	1
In the band £100,001 - £110,000	1	0
In the band £110,001 - £120,000	0	1
In the band £120,000 - £130,000	1	0

Four staff members earning over £60,000 participated in the Teachers' Pension Scheme. During the year ended 31 August 2018 pension contributions for these staff members amounted to £68,773 (2017: £56,886).

d. Key management personnel

The key management personnel of the academy trust comprises the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £607,596 (2017: £581,315).

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NOTES TO THE FINANCIAL STATEMENTS
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8. STAFF COSTS (continued)

9. CENTRAL SERVICES

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

- Centralised Wise Owl Trust staff - CEO, Executive Principal and Trust Finance
- HR support
- School Improvement
- SEND audit
- Apprenticeship Levy

The academy charges for these services on the following basis:

The charges for these services was 8% of GAG and EYFF funding apportioned based on pupil numbers in each academy.

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
Briscoe Lane Academy	193,615	137,639
Old Hall Drive Academy	162,959	120,890
Seymour Road Academy	161,478	122,900
Total	518,052	381,429

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10. TRUSTEES' REMUNERATION AND EXPENSES

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

		2018	2017
		£	£
Chris O'Shaughnessy	Remuneration	120,000-125,000	<i>110,000-115,000</i>
	Pension contributions paid	20,000-25,000	<i>15,000-20,000</i>

During the Year ended 31 August 2018, expenses totalling £103 (2017 - £NIL) were reimbursed to 1 trustee (2017 - None).

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the Year ended 31 August 2018 was £1,276 (2017 - £2,145).

12. TANGIBLE FIXED ASSETS

	Freehold property & playground £	Plant and equipment £	Total £
Cost			
At 1 September 2017	12,252,676	343,059	12,595,735
Additions	397,795	70,364	468,159
At 31 August 2018	12,650,471	413,423	13,063,894
Depreciation			
At 1 September 2017	673,649	66,233	739,882
Charge for the Year	239,266	77,686	316,952
At 31 August 2018	912,915	143,919	1,056,834
Net book value			
At 31 August 2018	11,737,556	269,504	12,007,060
<i>At 31 August 2017</i>	<i>11,579,027</i>	<i>276,826</i>	<i>11,855,853</i>

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**NOTES TO THE FINANCIAL STATEMENTS
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13. DEBTORS

	2018	2017
	£	£
VAT Debtor	72,099	99,643
Prepayments and accrued income	398,346	305,445
	470,445	405,088
	470,445	405,088

14. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Salix loans	5,471	5,471
Trade creditors	73,692	99,724
Accruals and deferred income	145,393	160,112
	224,556	265,307
	224,556	265,307

	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	74,182	69,848
Resources deferred during the year	92,664	74,182
Amounts released from previous years	(74,182)	(69,848)
	92,664	74,182
	92,664	74,182

Deferred income relates to funding of £92,664 of Universal Infant Free School Meals income for 2017/18 (2017: ££74,182 of UIFSM).

15. CREDITORS: Amounts falling due after more than one year

	2018	2017
	£	£
Salix loans	31,678	36,409
	31,678	36,409
	31,678	36,409

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15. CREDITORS: Amounts falling due after more than one year (continued)

Creditors include amounts not wholly repayable within 5 years as follows:

	2018	2017
	£	£
Repayable by instalments	9,796	14,527

Two Salix loans are due to be repaid semi-annually over the the next eight years. No interest is charged on the capital element of the loan.

A further Salix loan of £11,827 was obtained during the prior year and is expected to be repaid semi-annually over the next eight years once the terms are received from the ESFA. No interest is charged on the capital element of the loan.

16. FINANCIAL INSTRUMENTS

	2018	2017
	£	£
Financial assets measured at amortised cost	1,700,131	1,379,556
Financial liabilities measured at amortised cost	174,320	227,534

Financial assets measured at amortised cost comprise of cash at bank and accrued income.

Financial liabilities measured at amortised cost comprise of trade creditors, other loans and accruals.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted Funds						
General Funds	204,450	120,706	(114,749)	-	-	210,407
Restricted funds						
General Annual Grant (GAG)	771,442	6,026,206	(5,585,747)	(214,783)	-	997,118
Pupil Premium	-	1,082,641	(1,082,641)	-	-	-
Music Grant	-	9,322	(9,322)	-	-	-
SEN Funding	-	195,978	(195,978)	-	-	-
Other government grants	-	797,028	(797,028)	-	-	-
Donations	-	41,389	(41,389)	-	-	-
Pension reserve	(1,736,000)	-	(400,000)	-	743,000	(1,393,000)
	(964,558)	8,152,564	(8,112,105)	(214,783)	743,000	(395,882)
Restricted fixed asset funds						
Transfer of land and buildings	11,855,853	-	(316,952)	468,159	-	12,007,060
Capital Maintenance Fund	225,884	499,023	(18,092)	(253,376)	-	453,439
	12,081,737	499,023	(335,044)	214,783	-	12,460,499
Total restricted funds	11,117,179	8,651,587	(8,447,149)	-	743,000	12,064,617
Total of funds	11,321,629	8,772,293	(8,561,898)	-	743,000	12,275,024

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

Restricted Funds

The General Annual Grant (GAG) is used specifically for the normal running costs incurred in delivering the objects of the Academy as set out in the Company's Articles.

The other funds identified within restricted general funds are spent in line with the criteria attached to them.

Restricted fixed asset funds

The transfer of land and buildings represents the value of the land and buildings transferred freehold to the Academy upon conversion and the subsequent merger of Old Hall Drive, less depreciation. The other funds identified within restricted fixed asset funds are spent in line with the criteria attached to them.

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

Unrestricted funds

Unrestricted funds are those other resources which may be used to further the objectives of the Academy and include the transfer from the predecessor school.

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

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	<i>Total 2017 £</i>
Briscoe Lane Academy	399,059	350,546
Seymour Road Academy	581,498	502,993
Old Hall Drive Academy	183,974	108,748
Wise Owl Trust	42,994	13,605
Total before fixed asset fund and pension reserve	<u>1,207,525</u>	<u>975,892</u>
Restricted fixed asset fund	12,460,499	12,081,737
Pension reserve	(1,393,000)	(1,736,000)
Total	<u><u>12,275,024</u></u>	<u><u>11,321,629</u></u>

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2018 £	<i>Total 2017 £</i>
Briscoe Lane Academy	1,116,903	844,035	328,987	575,916	2,865,841	2,891,504
Seymour Road Academy	924,839	625,724	325,974	620,553	2,497,090	2,425,350
Old Hall Drive Academy	1,072,188	695,670	284,065	456,460	2,508,383	2,539,852
	<u>3,113,930</u>	<u>2,165,429</u>	<u>939,026</u>	<u>1,652,929</u>	<u>7,871,314</u>	<u>7,856,706</u>

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17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
General Funds - all funds	120,161	265,012	(180,723)	-	-	204,450
Restricted funds						
General Annual Grant (GAG)	899,532	5,971,484	(5,798,062)	(301,512)	-	771,442
Pupil Premium	-	1,050,824	(1,050,824)	-	-	-
Schools Direct	-	300	(300)	-	-	-
Early Years Funding	-	439,577	(439,577)	-	-	-
Music Grant	-	7,521	(7,521)	-	-	-
SEN Funding	-	121,369	(121,369)	-	-	-
Other government grants	-	59,309	(59,309)	-	-	-
Other ESFA Grants	-	156,357	(156,357)	-	-	-
Donations	-	4,914	(4,914)	-	-	-
Pension reserve	(2,201,000)	-	(326,000)	-	791,000	(1,736,000)
	<u>(1,301,468)</u>	<u>7,811,655</u>	<u>(7,964,233)</u>	<u>(301,512)</u>	<u>791,000</u>	<u>(964,558)</u>
Restricted fixed asset funds						
Transfer of land and buildings	7,803,476	3,350,000	(274,654)	977,031	-	11,855,853
Environmental Improvement grant	4,678	-	(4,678)	-	-	-
Capital Maintenance Fund	436,349	387,021	-	(597,486)	-	225,884
Devolved formula capital	-	27,159	(27,159)	-	-	-
LA Capital Grant Funding	78,033	-	-	(78,033)	-	-
	<u>8,322,536</u>	<u>3,764,180</u>	<u>(306,491)</u>	<u>301,512</u>	<u>-</u>	<u>12,081,737</u>
Total restricted funds	<u>7,021,068</u>	<u>11,575,835</u>	<u>(8,270,724)</u>	<u>-</u>	<u>791,000</u>	<u>11,117,179</u>
Total of funds	<u><u>7,141,229</u></u>	<u><u>11,840,847</u></u>	<u><u>(8,451,447)</u></u>	<u><u>-</u></u>	<u><u>791,000</u></u>	<u><u>11,321,629</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	12,007,060	12,007,060
Current assets	429,492	1,034,267	453,439	1,917,198
Creditors due within one year	(219,085)	(5,471)	-	(224,556)
Creditors due in more than one year	-	(31,678)	-	(31,678)
Provisions for liabilities and charges	-	(1,393,000)	-	(1,393,000)
	<u>210,407</u>	<u>(395,882)</u>	<u>12,460,499</u>	<u>12,275,024</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	11,855,853	11,855,853
Current assets	506,166	771,442	225,884	1,503,492
Creditors due within one year	(265,307)	-	-	(265,307)
Creditors due in more than one year	(36,409)	-	-	(36,409)
Provisions for liabilities and charges	-	(1,736,000)	-	(1,736,000)
	<u>204,450</u>	<u>(964,558)</u>	<u>12,081,737</u>	<u>11,321,629</u>

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

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	210,395	3,389,400
Adjustment for:		
Depreciation charges	316,952	279,332
Dividends, interest and rents from investments	(2,454)	(3,053)
(Decrease)/Increase in Creditors	(40,012)	(43,854)
Increase in debtors	(65,357)	(119,280)
Capital grants from DfE	(499,213)	(426,007)
Donated building	-	(3,350,000)
Defined benefit pension scheme obligation inherited	400,000	326,000
Net cash provided by operating activities	<u>320,311</u>	<u>52,538</u>

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20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank	1,446,753	1,098,404
Total	<u>1,446,753</u>	<u>1,098,404</u>

21. PENSION COMMITMENTS

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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21. PENSION COMMITMENTS (continued)

- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £308,000 (2017 - £276,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the Year ended 31 August 2018 was £407,000 (2017 - £394,000), of which employer's contributions totalled £312,000 (2017 - £301,000) and employees' contributions totalled £95,000 (2017 - £93,000). The agreed contribution rates for future years are 17.5% for employers and 5.5 - 12.5% for employees.

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

Greater Manchester Pension Fund

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.10 %	3.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %
Inflation assumption (CPI)	2.40 %	1.90 %
Commutation of pensions to lump sums	55.00 %	55.00 %

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

	2018	2017
Retiring today		
Males	21.5	21.5
Females	24.1	24.1
Retiring in 20 years		
Males	23.7	23.7
Females	26.2	26.2

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**NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

Sensitivity analysis	At 31 August 2018 £	<i>At 31 August 2017 £</i>
Discount rate -0.1%	41,600	37,600

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

	Fair value at 31 August 2018 £	<i>Fair value at 31 August 2017 £</i>
Equities	2,800,240	2,575,000
Corporate bonds	658,880	564,000
Debt instruments	-	-
Property	288,260	212,000
Cash	370,620	176,000
Total market value of assets	<u>4,118,000</u>	<i><u>3,527,000</u></i>

The actual return on scheme assets was £226,490 (2017 - £504,361).

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

	2018 £	<i>2017 £</i>
Net interest cost	48,000	49,000
Current service cost	664,000	578,000
Total	<u>712,000</u>	<i><u>627,000</u></i>

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

	2018 £	<i>2017 £</i>
Opening defined benefit obligation	5,263,000	4,842,000
Employee contributions	95,000	93,000
Actuarial gains	(633,000)	(338,000)
Current service cost	664,000	578,000
Interest cost	141,000	108,000
Benefits Paid	(19,000)	(20,000)
Closing defined benefit obligation	<u>5,511,000</u>	<i><u>5,263,000</u></i>

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

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

	2018 £	2017 £
Opening fair value of scheme assets	3,527,000	2,641,000
Interest income	93,000	59,000
Actuarial gains	110,000	453,000
Employee contributions	95,000	93,000
Contributions by employer	312,000	301,000
Benefits Paid	(19,000)	(20,000)
	<u>4,118,000</u>	<u>3,527,000</u>

22. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	24,898	25,741
Between 1 and 5 years	28,763	36,361
Total	<u>53,661</u>	<u>62,102</u>

23. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while 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.

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

24. RELATED PARTY & CONNECTED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions have taken place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 10.

The following transactions have taken place between The Wise Owl Trust and the following organisations in which a member of the local governing body has an interest. They are not considered to be related parties due to a lack of control at the Trust but are included for transparency

During the period, the Wise Owl Trust paid £960 to Tootoot, a company of which one of the local school governors is a shareholder. There was no balance outstanding at year end (2017: £nil).

During the period, the Wise Owl Trust incurred costs of £114,000 from Commando Joe's, a company where a local school governor is employed. The Trust has a long standing relationship with the company before the governor joined the local school board. The balance outstanding at the year end was £7,891 (2017: £nil).

During the period, the Wise Owl Trust paid £1,478 to CPOMS (2017: £nil), of which a local school governor at the Trust is a director. The balance outstanding at year end was nil (2017: £nil).