

Company Registration Number: 07348580 (England and Wales)

**WESSEX LEARNING TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**



**WESSEX LEARNING TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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**WESSEX LEARNING TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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<b>Members</b>	Rev R Neill Mr B Kirkup Mr M Davey Mr R J Oliver
<b>Trustees</b>	Mr C B H Ainge (appointed 1 November 2016, resigned 30 April 2017) Rev J E G Angle Mr M E Belch (resigned 1 November 2016) Ms G F Briggs (appointed 1 November 2016) Mr M C Davey (resigned 1 November 2016) Mr A J Davies (appointed 1 November 2016) Mr S T Flavin (appointed 1 November 2016) Mr P Kelson (appointed 1 November 2016) Mr B Kirkup, Chair of Board Mr P J Lythgoe (resigned 1 November 2016) Dr S G Methley (resigned 1 November 2016) Ms S A Moreman (appointed 1 November 2016) Mr R J A Oliver (resigned 1 November 2016) Ms T Raynes (appointed 1 November 2016) Mr C M Richardson, Executive Headteacher (resigned 31 August 2017) Mr G J Smith (appointed 1 November 2016) Mr K J Walke (appointed 1 November 2016) Mr G D Woodcock (appointed 1 November 2016) Mr G M Ball, Executive Headteacher (appointed 1 September 2017)
<b>Company registered number</b>	07348580
<b>Company name</b>	Wessex Learning Trust
<b>Company secretary</b>	Mr K Perry
<b>Accounting Officer</b>	Mr G M Ball
<b>Trust Leadership Group</b>	Mr G M Ball, Executive Headteacher (appointed 1 September 2017) Mr C Richardson, Executive Headteacher (resigned 31 August 2017) Mrs J Hipwell, Deputy Executive Headteacher Mr K Perry, Business and Finance Director
<b>Independent auditors</b>	Bishop Fleming Bath Limited Chartered Accountants Statutory Auditors Minerva House Lower Bristol Road Bath BA2 9ER
<b>Bankers</b>	Lloyds Bank Bath Street Cheddar BS27 3AB

**WESSEX LEARNING TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2017**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company and the Group for the year ended 31 August 2017. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust provides education for pupils aged 2 to 19 in Somerset. The admission capacity at Year of Entry (excluding nursery provision and entrance to the Sixth Form) is 2,310. On roll as at the summer school census 2017 were 2,239 pupils with an additional 260 pupils in the Sixth Form and 193 children in nursery provision.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Trust is a company limited by guarantee and an exempt charity. The charitable company and the Group's Memorandum and Articles of Association are the primary governing documents of the Trust.

The Trustees of Wessex Learning Trust are also the directors of the charitable company and the Group for the purposes of company law. The charitable company is known as the Wessex Learning Trust.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

**Members' Liability**

Each member of the charitable company and the Group 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 they ceased to be a member.

**Trustees' Indemnities**

Trustees benefit from indemnity insurance purchased at the Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Trust. The limit of this indemnity is £5,000,000.

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim.

**TRUSTEES**

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

Prior to 1 November 2016 all those Trustees that served the predecessor Trust (The Kings of Wessex Academy Trust) continued in their role. On 1 November 2016 the four Members of the Trust appointed new Trustees. These Trustees were selected from Governors of the schools joining the Trust so that each school was represented; First Schools each had one Trustee appointed whereas the Middle school had two Trustees. The Senior school was allocated four Trustees. Whilst each school was represented by a Trustee the associated skill of the Trustee was a key determinate on who was selected. These Trustees were appointed on a term of office of 4 years, save that this time limit shall not apply to the Executive Headteacher or the incumbent.

The Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- no fewer than three Trustees but no more than sixteen Trustees.
- up to 11 Trustees can be appointed by the Members.
- no fewer than two Trustees shall be appointed by the Diocesan Board of Education but no more than 25% of the total number of Trustees.

**WESSEX LEARNING TRUST  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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- the Executive Headteacher who is treated for all purposes as being a Trustee.

Trustees are appointed for a four year period, except that this time limit does not apply to the Executive Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Trust's development.

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

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Trust and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by external bodies.

Trustees' visit days of the academes in the Trust are arranged where Trustees meet with staff and students and view facilities. When required specific training is offered to keep the Trustees updated on relevant developments impacting on their roles and responsibilities.

**Organisational Structure**

The Board of Trustees plans to meet once each term although additional meetings are called as and when required. The Board establishes an overall framework for the governance of the Trust and is responsible for delegating powers to Local Governing Bodies, the Executive Headteacher and others through an agreed scheme of delegation. The Board of Trustees is overall responsible for determining the strategy and the direction of the Trust, educational outcomes and finance. It receives reports including policies from its Committees for ratification. It monitors the activities of the Academies through the minutes of Local Governing Body meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

All academies within the Trust are required to establish a Local Governing Body which is to hold termly meetings and establish two committees as follows:

- Finance and Human Resources Committee - this meets at least four times a year and is responsible for monitoring, evaluating and reviewing performance in relation to financial management, compliance with reporting and regulatory requirements, including health and safety. It is required to draft the annual budget including setting staffing levels. It also incorporates the role of an audit committee for each Academy.
- School Standards and Improvement - this meets four times per year to monitor, evaluate and review practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.

A separate management committee is established to oversee the operations of Kings Fitness & Leisure, a subsidiary business to the Trust:

- Kings Fitness & Leisure Management Board which meets four times per year and is responsible for monitoring and evaluating the performance of Kings Fitness and Leisure and receiving the Manager's report and monthly budget reports. Regularly reviews membership fees and associated charges for the activities run at the Centre. Ensures compliance with reporting and regulatory requirements relating to the operation of as Leisure Centre.

**WESSEX LEARNING TRUST  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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The following decisions are reserved to the Members:

- Appoint and remove Members;
- Appoint and remove Directors;
- Appoint the Trust's Accountants; and,
- Approve the Annual Accounts.

The following decisions are reserved to the Board of Trustees:

- Agree Terms of Reference for the Local Governing Bodies;
- Agree a Scheme of Delegation;
- Agree future Academy applications and/or sponsorship to join the Trust;
- Set the ethos and strategic direction of the Trust;
- Uphold the distinctive Christian character the Church of England academies;
- Construct an annual Trust improvement plan to deliver the Trust's priorities;
- Monitor the performance of the Trust and the academies in the Trust;
- Provide support and challenge to the Headteachers for school improvement;
- Hold the Executive Headteacher to account for the performance of the academies in the Trust;
- Ensure arrangements are in place for the performance management of the Executive Headteacher and the central team;
- Maintain an effective internal audit;
- Ensure financial policies and procedures are in accordance with DfE requirements and best practice;
- Agree the allocation of funds for central services;
- Allocate funding to academies in accordance with their GAG funding statement;
- Approve annual budgets for academies;
- Approve staffing costs for academies where expenditure on staffing will exceed 80% of GAG;
- Monitor the financial performance of the trust taking action where necessary;
- Maintain a register of pecuniary and business interests of directors and staff;
- Approve lease agreements;
- Appoint the Executive Headteacher and other central staff;
- Set Trust policies; and,
- Act as the Admissions Authority.

The Board of Trustees have devolved responsibility for the day-to-day management of the academies to the respective Headteachers and the Local Governing Body. The delegation of these responsibilities is contained in the Scheme of Delegation. The academies will each in turn have their own leadership structure which will vary from academy to academy depending on its size.

The Executive Headteacher is the Accounting Officer.

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The Trustees consider the Board of Trustees and the academy senior leadership teams comprise the key management personnel of the Trust and the academies within the Trust who are in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with recommendations made by the School Teachers' Review Body.

The Trustees benchmark against pay levels in other Academies of a similar size. The benchmark is the mid-point of the range paid for similar roles.

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**Connected Organisations, including Related Party Relationships**

Kings of Wessex Fitness and Leisure Limited is a 100% controlled subsidiary that operates a sports centre on the site of The Kings of Wessex Academy.

There are no related parties which either control or significantly influence the decisions and operations of the Trust. There are no formal sponsors associated with the academies in the Trust.

All the Academies in the Trust have a number of organisations that work with them including PTAs and local Church groups which are invaluable to providing support. Overall, the Trust has strong collaborative links with other schools in the area who are not part of the Trust but form part of the wider Cheddar Valley community.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The principal object and activity of the Trust 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 academies which shall offer broad and balanced curriculum and which include:

- Academies other than those designated Church of England, whether with or without a designated religious character; and,
- Church of England academies designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and in having regard to any advice and following any directives issued by the Diocesan Board of Education, but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.

In addition the Trust looks to provide facilities for recreation or other leisure time occupation for the public at large in the interests of social welfare and with the object of improving their conditions of life.

The aims of the Trust during the year ended 31 August 2017 are summarised below:

- to provide the best education by working closely with each other to create a unique experience for all our children;
- to ensure every student is helped to achieve their full potential so that they can make a positive contribution to our society and realise their lifetime ambitions;
- to offer a world-class, 21st century education for all young people between the ages of 2 to 19, providing outstanding learning opportunities and creating centres of educational excellence that meet the needs of all children;
- to continue to raise the standard of educational attainment and achievement of all pupils;
- to provide a broad and balanced curriculum, including extra curricular activities;
- to develop students as more effective learners;
- to enhance the tertiary provision and outcomes;
- to develop the academy sites so that they enable students to achieve their full potential;
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to improve the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- develop greater coherence, clarity and effectiveness in school systems;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with our communities;
- to maintain close links with industry and commerce;
- to develop the Trust's capacity to manage change, and,
- to conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.



**WESSEX LEARNING TRUST  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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Our core principles are:

- to ensure that all schools (including nurseries, pre-schools, schools, academies and sixth forms) are treated fairly and always acting in the best interests of all students.
- to work together to support leaders and staff in securing the best possible outcomes for all our students, including early intervention particularly for vulnerable pupils.
- to ensure a spirit of openness, trust and respect within the Trust.
- to be accountable to each other and to the Trust.
- To respect the distinctive ethos of schools within the Trust ensuring the Christian distinctiveness of Church of England Schools and respecting those that are non-denominational.
- to ensure that maximum delegation is given to schools that are judged to be providing a good/outstanding education.
- to ensure that all schools are financially sustainable.
- to seek to share our excellence by seeking to grow the Trust with future partners.

**Objectives, Strategies and Activities**

Key priorities for the year are as follows:

- establishing the Trust.
- integrating the 8 schools/academies in to the Trust.
- focusing on teaching, learning and progress across all schools in the Trust.
- raising achievement by closing the gaps in relation to boys and Pupil Premium students.
- improving attendance and reducing persistent absence.
- recruiting and retaining high quality staff.
- managing a year on year real terms cut in funding and achieving more for less.
- implementing reforms in line with curriculum and statutory changes.
- Providing a safe learning environment.
- Maintaining Ofsted readiness.

**Public Benefit**

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Trust's aims and objectives and in planning its future activities.

The Trust aims to advance for the public benefit, education within The Cheddar Valley area and the surrounding area.

The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

As an Academy we have a duty to support other schools.

## **STRATEGIC REPORT**

### **Achievements and Performance Axbridge CofE First School Academy**

The school converted to academy status on 1 September 2012 and became part of the Trust in September 2016. The number of pupils at the end of August 2017 was 162. The current NOR is 166 with 3 further applications pending; 82 boys and 83 girls. Busy Bees Nursery had 52 on roll in August 2016 and currently has 40 on roll.

- Early Years Foundation Stage (EYFS) (22 pupils)  
Outcomes were above national average and Somerset with 73% achieving a Good Level of Development (GLD), above the Local Authority (LA) (71%) and National Average (NA) (70.7%) for 2017. The Supporting Measure was 35.18 also above the LA (34.6) and NA (34.5).
  - Phonic Screening  
The 2017 Year One Phonic Screening Check (39 pupils) result of 100% was well above the LA (79%) and NA (81%). In Year Two 100% of pupils passed the Phonic Screening Check re-take. This result was above the LA 63% and NA 92%.
  - Key Stage One (38 pupils)  
Results were significantly higher than the LA and NA in 2017 across Reading, Writing and Maths. 87% of pupils achieved at ARE in Reading, 85% in Maths and Writing. The GD results were particularly strong and well above LA and NA in reading at 39%, 21% in Writing and 28% in Maths. 86% of pupils achieved ARE in all three areas. 29% achieved GD across all areas.
  - Key Stage Two  
In reading 76% of pupils achieved ARE which is above NA. 52% and 59% of pupils achieved ARE in Writing and Maths which was below NA. However 55% achieved GD in reading, 38% in writing and Maths which is above NA. 64% achieved ARE or above for combined reading, writing and maths and 22% at GD. Students performed well in the GL assessments and their overall standardised score was above average, particularly in English.
- Other Achievements
- A Trust Safeguarding Audit in November 2016 concluded that safeguarding was extremely effective.
  - EYFS and KS1 moderation in 2016 fully supported our judgements and endorsed excellent provision in these areas of the school with outstanding results.
  - The academy was last inspected by Ofsted in 2008 and was judged to be Outstanding.

### East Brent CofE Academy

The school converted to academy status on 1 November 2016. The number of pupils at the end of August 2017 was 72, an increase of 11 from the previous year. The current NOR has grown and is 81 with 39 boys and 42 girls.

#### Early Years Foundation Stage (EYFS) 16 pupils

Outcomes were 81% of pupils achieving a Good Level of Development (GLD), slightly higher than last year (80%) and above the Local Authority (LA) (71%) and National Averages (NA) (70.7%) for 2017. The Supporting Measure was 36% above the LA (34.6%) and above NA (34.5%).

- Phonic Screening  
The 2017 Year One Phonic Screening Check (12 pupils) result of 91% was well above last year (67%) and the LA (79%) and NA (81%). In Year Two 50% (3 pupils) passed the Phonic Screening Check re-take.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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- Key Stage One (22 pupils)  
Results were higher than LA and NA for children reaching age-related expectations in 2017 in reading (academy 91%, LA 76.5%, NA 76%), writing (academy 72%, LA 70%, NA 68%) and slightly below in maths (academy 72%, LA 76.5%, NA 75%). The Greater Depth results were improved from the previous year and above NA in reading (academy 27%, LA 29%, NA 25%), above LA and NA in writing (academy 18%, LA 17%, NA 16%) and also above LA and NA in maths (academy 27%, LA 21%, NA 21%). (72%) achieved ARE or above in all areas combined – reading, writing and maths (18%) achieved GDS in all 3 subjects.
  - Key Stage Two  
Pupils in Year 4 (16 pupils) achieving ARE or above: 75% in reading, 81% in writing and 75% in maths.
  - SEND & PPM 6 SEND & 16 PPM pupils  
SEND children make good progress from their starting points though their attainment overall is below their peers. Pupil Premium children made better than average progress in reading, writing and maths.
- Other Achievements
- The academy was last inspected by Ofsted in December 2013 and was judged to be Good.
  - In February 2017 the academy was inspected by the Diocese of Bath and Wells and was judged to be Good under the Statutory Inspection of Anglican and Methodist Schools.
  - A Trust Safeguarding Audit in November 2016 concluded that safeguarding was effective.
  - In March-May 2017, the academy secured new site security measures to become compliant with Ofsted requirements. This included installation of a CCTV camera, an internal phone system and 6 feet fencing and gates.

Hugh Sexey CofE Middle School

The school converted to academy status on 1 November 2016. The number of pupils at the end of August 2017 was 597 which represented an increase of 14 pupils from the previous year. Current numbers are healthy with 620 pupils on roll but students are oversubscribed in Year 5 (154 with one application pending), Year 6 (154) and year 8 (179 with two applications pending and an appeal lodged). There are 19 places available in year 7 to reach PAN. There are currently 618 pupils on roll which is 21 more than the end of the last academic year.

- Outcomes  
Outcomes have improved over the last 2 years, building on the excellent work of our first schools. We have introduced, with the support of our First schools, externally marked and nationally referenced GL progress tests in English and mathematics. These outcomes show that our pupils are working significantly higher than their age-related counterparts across the country. The National Average (NA) standardised age score is 100. The Year 5 English score was 109 and maths 105.4, Year 7 English score was 110.9 and maths 110.1 and the Year 8 English score was 109.3 and maths 107.2.
  - Key Stage 2 outcomes  
We have seen a year on year improvement in KS2 SAT outcomes. The KS2 curriculum is covered in our First schools, year 3 and 4 and then built upon in year 5 with the SATs being administered in May of year 6. We received very favourable feedback from the external moderator who checked our test procedures. Hugh Sexey ranked first across all Middle Schools in Somerset for Reading, SPAG, mathematics and combined Reading, Writing and Maths. Our teacher assessed writing outcomes were disappointing compared to our Middle school's colleagues and national picture.
- Other Achievements
- We were inspected by the by the Diocese of Bath and Wells in September 2017 under the Statutory Inspection of Anglican and Methodist Schools and were graded as 'Outstanding'.
  - We have constructed a bespoke 'programme of study tracker' to monitor pupils progress against key age related skills and knowledge criteria.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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- A trust Safeguarding Audit in November 2016 concluded that safeguarding was effective. We implemented the key findings around site security and access to the school.

Lympsham CofE Academy and Lympsham Pre-School

The school converted to academy status on 1 November 2016. The number of pupils at the end of August 2017 was 119, the highest number the school has had on record. The current NOR is 115, slightly less due to restrictions in KS1 of 30 children per class. There are 57 boys and 58 girls. The pre-school had 40 on roll in August 2017 and currently has 30 on roll. This number is likely to increase throughout the year.

- Early Years Foundation Stage (EYFS) (19 pupils)  
Outcomes were slightly less than previous year, 90% with 84% achieving a Good Level of Development (GLD), above the Local Authority (LA) (71%) and National Average (NA) (70.7%) averages for 2017. The Supporting Measure (SLD) was 34% slightly below the LA (34.6%) and national average (34.5%).
- Phonic Screening  
The 2017 Year One Phonic Screening Check (21 pupils) result of 90% was above LA (79%) and NA (81%) and has remained consistent on previous results. In Year Two 50% (1 pupil) passed the Phonic Screening Check re-take.
- Key Stage One (22 pupils)  
Results were significantly higher than LA and national averages for children reaching age-related expectations in 2017 in reading (academy 91%, LA 76.5%, NA 76%), writing (academy 82%, LA 70%, NA 68%) and maths (academy 87%, LA 76.5%, NA 75%). The Greater Depth results were particularly strong and well above LA & NA in reading (academy 61%, LA 29%, NA 25%), writing (academy 35%, LA 17%, NA 16%) and just above in maths (academy 22%, LA 21%, NA 21%). (72%) achieved ARE or above in all areas combined – reading, writing and maths. 12% achieved GDS in all 3 subjects.
- Key Stage Two  
Pupils in Year 4 (32 pupils) achieving ARE or above: 90% in reading, 69% in writing and 63% in maths.
- SEND & PPM (12 SEND & 11 PPM pupils)  
SEND children make good progress from their starting points though their attainment overall is below their peers. The gap between disadvantaged children without SEND and their peers is low. Pupil Premium children made better progress in reading than writing and maths.

Other Achievements

- The academy was last inspected by Ofsted in January 2014 and was judged to be Good.
- In October 2014 the academy was inspected by the Diocese of Bath and Wells and was judged to be Outstanding under the Statutory Inspection of Anglican and Methodist Schools.
- A Trust Safeguarding Audit in November 2016 concluded that safeguarding was effective.
- A rhyme that used to run through the school has now been culverted creating a substantial grass area for the school and pre-school. This will enable development in the Early Years area where the installation of a new timberland trail is planned.
- FOLS (Friends of Lympsham School) arranged a highly successful event at the Tropicana in Weston Super Mare, raising over £10,000 for the school. This has funded innovative interactive screens for each classroom enhancing provision throughout the school.

Mark First & Pre-school CE Academy

The school converted to academy status on 1 November 2016. The number of pupils at the end of August 2017 was 134, slightly lower than the previous year (139) largely due to cohort differences. The current NOR is 134, 74 boys and 60 girls.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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The pre-school had 19 on roll in August 2016 and currently has 23 on roll. The proportion of 2 year olds is increasing; 2 in August 2016, currently 9 with 5 starting during the spring term.

Mark First & Pre-school CE Academy achieved impressive assessment results for Early Years Foundation Stage (EYFS) and Key Stage One in 2017. These results were validated by external moderation.

- Early Years Foundation Stage (EYFS) (24 pupils)  
Outcomes continued to improve on the previous year with 79% achieving a Good Level of Development (GLD), above the Local Authority (LA) (71%) and National Average (NA) (70.7%) averages for 2017. The Supporting Measure (SLD) was 37%, also above the LA (34.6%) and NA (34.5%).
- Phonic Screening  
The 2017 Year One Phonic Screening Check (38 pupils) result of 84% was just above LA (79%) and NA (81%) and has continued to improve on previous results. In Year Two 67% (4 pupils) passed the Phonic Screening Check re-take. This result was above the LA average (63%) but below the NA (92%).
- Key Stage One (22 pupils)  
Results were significantly higher than LA and NA in 2017 in reading (academy 81%, LA 76.5%, NA 76%), writing (academy 88%, LA 70%, NA 68%) and maths (academy 81%, LA 76.5%, NA 75%). This was true of children reaching age-related expectations (ARE) and those reaching greater depth (GDS). The GD results were particularly strong and well above LA & NA in reading (academy 43%, LA 29%, NA 25%), writing (academy 43%, LA 17%, NA 16%) and in maths (academy 33%, LA 21%, NA 21%). 15 out of 21 (71.4%) achieved ARE or above in all areas combined – reading, writing and maths. 27% achieved GDS in all 3 subjects.
- Key Stage Two  
Pupils left the academy in Year 4 (27 pupils) with results above LA and NA averages (no national data so compared to Year 6 outcomes). Those achieving ARE or above: 70% in reading, 67% in writing and 70% in maths. 63% achieved ARE or above for combined reading, writing and maths. They performed well in the GL assessments, particularly in reading.
- SEND & PPM (21 SEND & 22 PPM pupils)  
SEND children make good progress from their starting points though their attainment overall is below their peers. The gap between disadvantaged children without SEND and their peers is closing. Pupil Premium children have made good progress in all areas, particularly in maths.

Other Achievements

- The academy achieved the Dyslexia Friendly School Award in May 2015.
- In July 2016 the academy was inspected by the Diocese of Bath and Wells and was judged to be Outstanding under the National Society for Statutory Inspection of Anglican and Methodist Schools.
- A whole school review was carried out by independent consultants in November 2016 concluding that the school was Good with Outstanding Behaviour.
- A Trust Safeguarding Audit in November 2016 concluded that safeguarding was effective.
- The academy was last inspected by Ofsted in October 2012 and was judged to be Good with Outstanding Behaviour & Safety of pupils.

The Kings of Wessex Academy

The academy is in its sixth year of operation having converted to an academy in 2011. The total number of students in the year ended 31 August 2016 was 1137; a decrease of 39 from the previous year. In September 2017 the number on roll fell to 1081 due to smaller than average year 9 intake. The sixth form is currently standing at 269 which is lower than previous years but reflective of a smaller cohort of students from year 11.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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- Outcomes

The Kings of Wessex Academy achieved an outstanding set of summer examination results in 2017. Year 11 students yet again picked up an excellent set of GCSE results. 77% of students in Year 11 gained standard passes (grade 4 or above) in both English and Maths and 54% achieved strong passes (grade 5 or above) in both English and Maths (national figure 39%). Year 11 students achieved a Progress 8 score of +0.49. The percentage achieving the English Baccalaureate at grade 5/C or above was 40%, much above the national figure of 20% with 77% of our students entered for the EBacc compared with 35% nationally.

A remarkable 121 students obtained 11 or more A\*-C or equivalent passes. The pass rate for all exams sat was 99.6%, with 27% of all entries being awarded the top grades of A and above (or equivalent).

The A Level pass rate remained at an impressive 98% and more than half of students were awarded grades of B, A and A\*. These results were well deserved and reflect the high levels of effort and commitment the students demonstrated throughout their studies.

Areas for action at KLS4 include working to raise the Progress 8 figure for males (0.27 against 0.70 for females), for disadvantaged students (from -0.17) and students with SEN Support (-0.44). The year group had a larger than usual cohort of students (33) with low attendance (under 85%) many due to various health issues and these students' Progress 8 score was -0.78 which significantly suppressed the overall figure.

The Year 12 AS pass rate was 85%. No further Sixth Form cohorts will be taking AS exams at the end of year 12 so the academy is working on the issue of identifying students early on who are struggling with their two year 'A' level course. Year 12 Assessment Week has just taken place as part of this process.

- Other Achievements

- The academy was inspected by OFSTED in March 2015 and judged to be Good with Outstanding Sixth Form.
- The academy was inspected in March 2015 by the Diocese of Bath and Wells who judged the academy to be Outstanding under the National Society for Statutory Inspection of Anglican and Methodist Schools.
- A Trust Safeguarding Audit in November 2016 concluded that safeguarding was effective.
- Funding from the Capital Investment Fund (CIF) was secured which allowed the renovation of the Art/Sixth Form block which was completed in April 2016.
- As part of the Sixth Form led Charities Week, over £10,000 was raised and donated to charity.

Weare Academy First School

The total number of pupils in the year ended 31st August 2016 was 148; an increase of 9 from the previous year.

Weare Academy First School achieved an outstanding set of National Comparative results:

- At the end of Early Years Foundation Stage, 80% of our pupils achieved a Good Level of Development.
- At the end of Year One, 92% of our pupils met the threshold for the Phonic Screening Test and at the end of Year Two 100% of our pupils retaking the screening test met the threshold.
- At the end of Key Stage One 84% of our pupils achieved Age Related Expectation (ARE) for Reading and 65% achieved Greater Depth (GD), 84% achieved ARE for Writing and 45% achieved GD; and 84% achieved ARE for Maths and 39% achieved GD.
- At the end of Year Four 100% of our pupils met or exceeded their chronological age for Reading and 87% met or exceeded their chronological age for Spelling.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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Other Achievements

- Weare Academy First School has been judged as Outstanding by Ofsted in 2007 and in an interim inspection in 2011. The academy was also judged as Outstanding by the Diocese of Bath and Wells in 2013.
- A whole school review was carried out by independent consultants in November 2016, concluding that the school was a strong Good with elements of Outstanding.
- A Trust Safeguarding Audit in November 2016 concluded that safeguarding was highly effective.
- During 2016-17, the academy improved the facility of its onsite swimming pool to provide increased tuition for its pupils and the community, throughout the summer break and into the new academic year.
- The academy raised funds for a number of Charities during the year and these included Children in Need, Comic Relief, Secret World, the Royal British Legion, Save the Children and the Cheddar Foodbank. The total sum raised spread between these charities was £600.

Wedmore First School Academy

The total number of pupils in the main school in the year ended 31st August 2017 was 209. The Nursery roll grew steadily through the year with 22 starting on roll in September 2017 compared to 14 in September 2016. The Nursery is currently open 50 weeks of the year.

- Early Years Foundation Stage (EYFS) outcomes continued to improve on the previous year with 75% achieving a Good Level of Development (GLD), above the LA (71%) and national (70.7%) averages for 2017.
- At the end of Year One, 97% of our pupils met the threshold for the Phonic Screening Test with just one child not achieving the required pass mark. In Year Two 2 out of 4 children (all boys) passed the Phonic Screening Check re-take, with the two boys who did not pass having significant learning difficulties in reading and one of them missing the pass grade by just one mark.
- At the end of Key Stage One (Yr2) 79% of our pupils achieved Age Related Expectations (ARE) for Reading and 43% achieved Greater Depth (GD), 64% achieved ARE for Writing and 14% achieved GD; and 71% achieved ARE for Maths and 19% achieved GD. This is a boy heavy cohort with a much higher than usual number of children with a range of learning difficulties.
- At the end of Year Four, 95% achieved AREs for Reading with 50% achieving Greater Depth. 69% achieved ARE in Writing with 29% at Greater Depth and 60% in Maths with 31% at Greater Depth. Attainment ages in Writing and Maths were lower than we would have liked but this is another cohort with significant number of children with various needs. Progress measured from their EYFS outcomes is better with 98% in line with or exceeding their predicted progress outcomes in Reading, 86% in writing and 81% in maths.
- SEND and disadvantaged pupils (Pupil Premium/Looked After Children/Adopted/Traveller) make good progress from their starting points though their attainment is generally below that of their peers.

Other Achievements

- Wedmore First School Academy was judged as Good in all areas by Ofsted in June 2014.
- A Trust Safeguarding Audit in November 2016 concluded that safeguarding was effective. Additional perimeter fencing was strongly recommended, and this has since been installed along with the necessary intercom entry system.
- Sporting achievements continue to be a real strength of the school. Our children continue to participate in a wide variety of sports within the local area.
- The academy has raised funds for a number of Charities during the year and these have included Children in Need, Comic Relief, the Royal British Legion, Save the Children, Cheddar Foodbank and Cystic Fibrosis.
- August 2016-March 2017 saw the construction of the 4 classroom extension to our main building.

**WESSEX LEARNING TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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Operating smoothly through the building project was challenging at times, but the staff and children coped incredibly well with the necessary adaptations involved. Occupation of the new building occurred at the end of the Spring term and we marked the occasion with a celebration afternoon which included a visit from Jos Butler, England cricketer and ex-pupil.

**Key Performance Indicators**

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In the period under review £1,763,110 was carried forward representing 18% of GAG

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers in the Summer 2017 Census were:

<b>School</b>	<b>Summer 2017 Census roll</b>	<b>Nursery</b>	<b>Main School Capacity</b>	<b>Main School Actual</b>	<b>Sixth Form Actual</b>
Axbridge CofE First School Academy	205	49	175	156	
East Brent CofE Academy	71	40	80	71	
Hugh Sexey CofE Middle School	597		600	597	
Lympsham CofE Academy	119	30	135	119	
Mark First & Pre-school CofE Academy	135	23	150	135	
The Kings of Wessex Academy	1,066		810	806	260
Weare Academy First School	148	24	150	148	
Wedmore First School Academy	207	27	210	207	

Over the coming years, pupil numbers are set to decrease but then begin to increase slowly reflecting the projected demographic growth in the area.

Another key financial performance indicator for the Trust is educational and nursery staffing costs as a percentage of recurring educational and staffing income. During the year ended 31 August 2017 the Trust received £11,804,483 of recurring income from education and nursery provision (see note 3) and expended £9,749,387 on education and nursery staffing costs (see note 7), which is 82.6%.

**Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Going concern policy note 1.3.



**WESSEX LEARNING TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**FINANCIAL REVIEW**

**Financial Review**

Most of the Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2017 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The academies in the Trust also receive grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Trust's accounting policies.

During the year ended 31 August 2017, the SOFA shows that the Trust received total income of £13,742,654 (excluding funds received on conversion of £11,639,654, see notes 29 and 30) against which the Trust incurred expenditure of £12,864,383 (excluding depreciation of £788,167 and LGPS pension valuation movements of £726,000, see note 22). The excess of income of expenditure in the year on this basis was £878,271.

At 31 August 2017 the net book value of fixed assets was £31,574,507 and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

The land, buildings and other assets of the academies were transferred to the Trust upon conversion. Where available, land and buildings valuations have been professionally valued. Where this is not available, a best estimate of the value has been made taking into account purchase price and remaining useful life.

The Trust has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff within the academies which transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details shown in the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial responsibilities of the Board, Executive Headteacher, Finance Director, Headteachers, budget holders and other staff as well as delegated authority for spending. Individual academies are responsible for their own policies regarding Charges and Lettings.

**Reserves Policy**

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be approximately £1,500,000. The reason for this is that the amount approximates to one month's expenditure and the increased risk from operating the sports and leisure centre within Kings Fitness and Leisure Limited. Reserves will provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. In addition, the reserves are held in the knowledge that the majority of academies set deficit budgets for 2017-18 and are likely to do so in the following year as the Trust adjusts its staffing levels and awaits the implementation of the National Funding Formula.

The Trustees have future plans of the Trust and have agreed to use £230,000 of designated reserves towards the installation of an all-weather sports pitch.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow on the fund, nor any direct impact on the free reserves of the Trust.

### **Investment Policy**

All funds surplus to immediate requirements are invested to optimal effect. Where cash flow allows, sums in excess of £100,000 may be invested on deposit for extended periods.

Due to the nature and timing of receipt of funding, the Trust may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

### **Principal Risks And Uncertainties**

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Trust are as follows:

- **Financial** - the Trust has considerable reliance on continued Government funding through the ESFA. In the last year 81% of the Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.
- **Failures in governance and/or management** - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- **Reputational** - the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.
- **Safeguarding and child protection** - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.
- **Staffing** - the success of the Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- **Fraud and mismanagement of funds** - The Academy has appointed a Peer Observation Officer/internal audit to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. The Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Trust. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst individual academies pupil numbers are healthy, risks to revenue funding from a falling roll are small. However, the reduction in post 16 funding levels, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs students and increasing employment and premises costs mean that budgets will be increasingly challenging in coming years.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Local Governing Finance and Human Resources Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

**WESSEX LEARNING TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**PLANS FOR FUTURE PERIODS**

The Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Trust will continue to work with partner schools to improve the educational opportunities for students in the wider community.

Following notification of a number of successful capital funding bids, a number of academies will commence capital works including the renovation of the teaching blocks, the replacement of boilers. In addition, providing planning permission is granted the Trust anticipates constructing an all-weather sports pitch in Spring 2018 with its completion in Autumn 2018.

The Trust hopes to attract other schools into the trust in the coming year and discussions are currently ongoing with interested parties.

Key priorities for the year are contained in the Trust's Improvement Plan which is available on the Trust's website or from the Company Secretary.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Trust and its Trustees do not act as the Custodian Trustees of any other Charity.

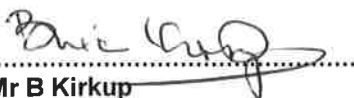
**AUDITORS**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable Group's auditors are 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 auditors are aware of that information.

The auditors, Bishop Fleming Bath Limited, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on ..... and signed on the board's behalf by:



.....  
**Mr B Kirkup**  
Chair of Trustees

20/12/2017

**WESSEX LEARNING TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

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

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 7 times during the year. 3 times at regular meetings and 4 additional meetings. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr C M Richardson, Executive Headteacher	5	7
Mr B Kirkup, Chair of Board	7	7
Mr C B H Ainge (resigned 30 April 2017)	0	5
Mr J E G Angle	5	7
Ms G F Briggs	4	7
Mr A J Davies	4	7
Mr S T Flavin	2	7
Mr P Kelson	5	7
Ms S A Moreman	4	7
Ms T Raynes	4	7
Mr G J Smith	4	7
Mr K J Walke	7	7
Mr G D Woodcock	5	7

All academies within the Trust continue to hold regular Local Governing Body meetings including sub-committee meetings focussing on Finance and Human Resources, and Teaching and Learning. This supports the Trust to ensure financial controls are embedded to individual academy level and focus is maintained on learning.

However, having reviewed the governance of the Trust it was noted that improvements were required. The formation of a Finance and Audit Committee at Trustee Level and the undertaking of regular internal audit functions have not occurred since the full composition of the Trust came together on 1 November 2016. This is because resources have been focussed on merging the separate accounting systems of the eight academies into a single system and developing a common Finance Policy were essential first steps before a committee could be formed to monitor such results.

This has left the Trust vulnerable and measures have been initiated to address this including the appointment of a dedicated Trust Finance Manager. In addition, work has been undertaken to centralise the financial operations of the Trust and whilst elements have been completed further work will be undertaken in the coming year. Considerations are being given to appointing a full-time Trust Finance Director as the role has so far been undertaken by an individual undertaking the dual role as an academy Business Manager and Trust Finance Director. The Trust has a plan to establish a Financial/Audit Committee early in 2018.

**REVIEW OF VALUE FOR MONEY**

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

**WESSEX LEARNING TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (continued)**

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

- Trustees reviewing the budget;
- Value for money purchasing;
- Seeking collective purchasing on a Trust wide basis wherever possible bringing economies of scale, improved efficiencies and greater value;
- Deploying staff effectively and robustly examining staffing costs at all levels so that the cost of staff as a percentage of academy's GAG remains at an acceptable level;
- Making comparisons with similar Academies using data provided by the ESFA, the Government and the Trust's accountants;
- Challenging proposals and examining their effectiveness and efficiency;
- Reviewing the quality of curriculum provision and quality of teaching;
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote;
- Encouraging all academy Business Managers/Finance Managers to regularly meet both internally but also amongst peers at regional level to compare ideas, suppliers and good practice; and,
- Ensuring that Local Governing Body Finance Committees are regularly reviewing and approving appropriate transactions in accordance with the Trust's agreed Finance Policy.

**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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Wessex Learning Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

**WESSEX LEARNING TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (continued)**

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**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees and overseen by the Board of Trustees;
- regular reviews by the Local Governing Body of the Finance and Human Resources Committees' 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; and,
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has plans to establish an Audit Committee to undertake a programme of internal checks which will be supplemented by additional checks performed by Bishop Fleming Bath Limited.

**REVIEW OF EFFECTIVENESS**

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

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

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

Approved by order of the members of the Board of Trustees on

and signed on their behalf, by:

  
.....  
**Mr B Kirkup**  
Chair of Trustees  
20/12/2017

  
.....  
**Mr G M Ball**  
Accounting Officer  
20/12/2017

**WESSEX LEARNING TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Wessex Learning Trust I have considered my responsibility to notify the Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the 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 2016.

I confirm that I and the Trust Board of Trustees are able to identify any material irregular or improper use of funds by Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2016.

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 G M Ball**  
Accounting Officer

20/12/2017

**WESSEX LEARNING TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2017**

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the Group 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 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the Group 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 the Group 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 and the Group 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 Group'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 and signed on its behalf by:

  
.....  
**Mr B Kirkup**  
Chair of Trustees

Date: 20/12/17



**WESSEX LEARNING TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WESSEX LEARNING TRUST**

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**OPINION**

We have audited the financial statements of Wessex Learning Trust (the 'parent academy') and its subsidiaries (the 'group') for the year ended 31 August 2017 which comprise the Group Consolidated statement of financial activities incorporating income and expenditure account, the Group Consolidated balance sheet, the Group Consolidated 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Trust's affairs as at 31 August 2017 and of the Group's 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 2016 to 2017 issued by the Education and Skills Funding Agency.

**BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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 Group's or the parent Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**OTHER INFORMATION**

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

**WESSEX LEARNING TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WESSEX LEARNING TRUST**

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

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

- the information given in the Trustees' report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Group 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 Group and the parent Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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:

- the parent Trust has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Trust financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remunerations specified by law 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 Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**WESSEX LEARNING TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WESSEX  
LEARNING TRUST**

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

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

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



Simon Morrison FCA (Senior Statutory Auditor)  
for and on behalf of

**Bishop Fleming Bath Limited**

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date: 21/12/2017

**WESSEX LEARNING TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO WESSEX LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 12 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Wessex Learning Trust during the year 1 September 2016 to 31 August 2017 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 Wessex Learning Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Wessex Learning 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 Wessex Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF WESSEX LEARNING TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Wessex Learning Trust's funding agreement with the Secretary of State for Education dated 1 June 2011, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 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 Trust's income and expenditure.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**WESSEX LEARNING TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Simon Morrison FCA (Reporting Accountant)

**Bishop Fleming Bath Limited**  
Chartered Accountants  
Statutory Auditors  
Minerva House  
Lower Bristol Road  
Bath  
BA2 9ER

Date: 21/12/2017

**WESSEX LEARNING TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND  
EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
Donations & capital grants:						
Transfer from Local Authority on conversion (note 29)	2,29	533,683	(1,131,622)	8,714,475	8,116,536	-
Transfer of existing academies in to the Trust (note 30)	2,30	287,596	(2,122,182)	5,347,306	3,512,720	-
Other donations and capital grants	2	25,968	658,525	-	684,493	694,549
Charitable activities	3	1,126,439	10,678,044	-	11,804,483	5,769,392
Other trading activities	4,5	1,259,319	-	-	1,259,319	1,196,280
Investments	6	4,470	-	-	4,470	2,260
<b>TOTAL INCOME</b>		<b>3,237,475</b>	<b>8,082,765</b>	<b>14,061,781</b>	<b>25,382,021</b>	<b>7,662,481</b>
<b>EXPENDITURE ON:</b>						
Raising funds	5	1,022,646	-	-	1,022,646	1,219,524
Charitable activities		1,594,351	10,973,386	788,167	13,355,904	6,284,004
<b>TOTAL EXPENDITURE</b>	7	<b>2,616,997</b>	<b>10,973,386</b>	<b>788,167</b>	<b>14,378,550</b>	<b>7,503,528</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>		<b>620,478</b>	<b>(2,890,621)</b>	<b>13,273,614</b>	<b>11,003,471</b>	<b>158,953</b>
Transfers between Funds	22	-	(603,262)	603,262	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>620,478</b>	<b>(3,493,883)</b>	<b>13,876,876</b>	<b>11,003,471</b>	<b>158,953</b>
Actuarial gains/(losses) on defined benefit pension schemes	31	-	1,692,000	-	1,692,000	(1,145,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>620,478</b>	<b>(1,801,883)</b>	<b>13,876,876</b>	<b>12,695,471</b>	<b>(986,047)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		1,327,180	(2,229,007)	17,600,951	16,699,124	17,685,171
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>1,947,658</b>	<b>(4,030,890)</b>	<b>31,477,827</b>	<b>29,394,595</b>	<b>16,699,124</b>

The notes on pages 31 to 63 form part of these financial statements.

**WESSEX LEARNING TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 07348580**

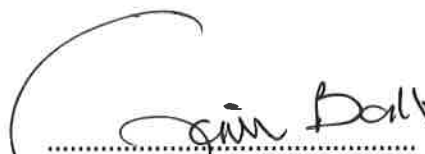
**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	15		<b>31,574,507</b>		17,208,759
<b>CURRENT ASSETS</b>					
Stocks	17	<b>2,307</b>		-	
Debtors	18	<b>326,993</b>		187,943	
Investments	19	<b>100,000</b>		100,000	
Cash at bank and in hand		<b>3,908,539</b>		3,225,337	
			<b>4,337,839</b>	<b>3,513,280</b>	
<b>CREDITORS: amounts falling due within one year</b>	20	<b>(723,751)</b>		<b>(694,915)</b>	
<b>NET CURRENT ASSETS</b>			<b>3,614,088</b>		2,818,365
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>35,188,595</b>		20,027,124
Defined benefit pension scheme liability	31		<b>(5,794,000)</b>		(3,328,000)
<b>NET ASSETS</b>			<b>29,394,595</b>		16,699,124
<b>FUNDS OF THE ACADEMY TRUST</b>					
Restricted funds:					
General funds	22	<b>1,763,110</b>		1,098,993	
Fixed asset funds	22	<b>31,477,827</b>		17,600,951	
Restricted funds excluding pension liability		<b>33,240,937</b>		18,699,944	
Pension reserve		<b>(5,794,000)</b>		(3,328,000)	
Total restricted funds			<b>27,446,937</b>		15,371,944
Unrestricted funds	22		<b>1,947,658</b>		1,327,180
<b>TOTAL FUNDS</b>			<b>29,394,595</b>		16,699,124

The financial statements on pages 27 to 63 were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:

  
 Mr B Kirkup  
 Chair of Trustees

20/12/2017

  
 Mr G M Ball  
 Accounting Officer

20/12/2017

The notes on pages 31 to 63 form part of these financial statements.

**WESSEX LEARNING TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 07348580**

**TRUST BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

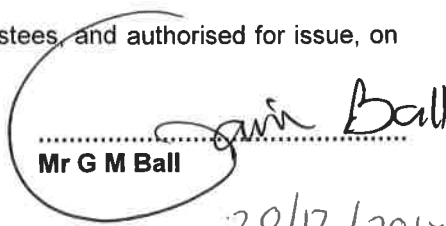
	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	15		<b>31,497,032</b>		17,149,164
Investments	16		<b>1</b>		1
			<u><b>31,497,033</b></u>		<u>17,149,165</u>
<b>CURRENT ASSETS</b>					
Stocks	17	<b>2,307</b>		-	
Debtors	18	<b>542,502</b>		401,552	
Cash at bank and in hand		<b>3,421,219</b>		2,668,997	
		<u><b>3,966,028</b></u>		<u>3,070,549</u>	
<b>CREDITORS:</b> amounts falling due within one year	20	<b>(641,650)</b>		<b>(381,672)</b>	
<b>NET CURRENT ASSETS</b>			<u><b>3,324,378</b></u>		<u>2,688,877</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u><b>34,821,411</b></u>		<u>19,838,042</u>
Defined benefit pension scheme liability	31		<b>(5,492,000)</b>		<b>(2,834,000)</b>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u><b>29,329,411</b></u></u>		<u><u>17,004,042</u></u>
<b>FUNDS OF THE ACADEMY TRUST</b>					
Restricted funds:					
Restricted funds	22	<b>1,638,585</b>		1,106,760	
Restricted fixed asset funds	22	<b>31,134,370</b>		17,600,951	
			<u><b>32,772,955</b></u>	<u>18,707,711</u>	
Restricted funds excluding pension asset					
Pension reserve		<b>(5,492,000)</b>		<b>(2,834,000)</b>	
			<u><b>27,280,955</b></u>		<u>15,873,711</u>
Total restricted funds			<u><b>27,280,955</b></u>		<u>15,873,711</u>
Unrestricted funds	22		<b>2,048,456</b>		1,130,331
			<u><b>29,329,411</b></u>		<u>17,004,042</u>
<b>TOTAL FUNDS</b>			<u><u><b>29,329,411</b></u></u>		<u><u>17,004,042</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on

and

are signed on their behalf, by:  
  
**Mr B Kirkup**  
 Chair of Trustees

20/12/2017

  
**Mr G M Ball**  
 20/12/2017



**WESSEX LEARNING TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	25	<u>748,926</u>	<u>545,294</u>
<b>Cash flows from investing activities:</b>			
Interest receivable		4,470	3,467
Purchase of tangible fixed assets		(1,081,724)	(188,150)
Capital grants from DfE/ESFA		-	477,174
Cash on conversion		1,011,530	-
<b>Net cash (used in)/provided by investing activities</b>		<u>(65,724)</u>	<u>292,491</u>
<b>Change in cash and cash equivalents in the year</b>			
Cash and cash equivalents brought forward		<u>3,325,337</u>	<u>2,487,552</u>
<b>Cash and cash equivalents carried forward</b>	26	<u><u>4,008,539</u></u>	<u><u>3,325,337</u></u>

The notes on pages 31 to 63 form part of these financial statements.

**WESSEX LEARNING TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**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.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the Trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Trust alone as permitted by section 408 of the Companies Act 2006.

**1.2 BASIS OF CONSOLIDATION**

The financial statements consolidate the accounts of Wessex Learning Trust and all of its subsidiary undertakings ('subsidiaries').

The Trust has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The net income and expenditure account for the year dealt with in the accounts of the Trust was £140,000 (2016: £611,174).

**1.3 GOING CONCERN**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the 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.

**WESSEX LEARNING TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 INCOME**

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

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

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

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

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

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

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

Where assets are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing academy into the trust within Income and donations and capital grants.

**WESSEX LEARNING TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.5 EXPENDITURE**

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

Expenditure on raising funds includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

**1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

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

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

On conversion the Academy Trust was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

Where the Academy Trust occupies land and buildings owned by the Bath and Wells Diocese under a Church Supplemental Agreement, the Trust recognise these land and buildings as tangible fixed assets. The Supplemental Agreement includes the right for the Trustees of the Bath and Wells Diocese to give not less than two years written notice to the Academy Trust and the Secretary of State for Education to terminate the agreement. No such written notice has been received as at the date of the approval of the financial statements.

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:

**WESSEX LEARNING TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

Long term leasehold property	-	2% straight line
Longterm Leasehold Land	-	125 years straight line
Motor vehicles	-	20% straight line
Fixtures and fittings	-	20% - 25% straight line
Computer equipment	-	25% straight line

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

**1.7 DEBTORS**

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

**1.8 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 and cash on deposit that has a notice period of less than 30 days.

**1.9 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.

**1.10 TAXATION**

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

**WESSEX LEARNING TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.11 FINANCIAL INSTRUMENTS**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. Prepayments are not financial instruments. Amounts due to the Trust'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 note 21. 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 Trust's wholly owned subsidiary are held at face value less any impairment.

**1.12 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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 31, 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 net income/expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.13 FUND ACCOUNTING**

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

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 and include grants from the Department for Education.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

**1.14 INVESTMENTS**

Investments in subsidiaries are valued at cost less provision for impairment.

**1.15 STOCKS**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is based on the cost of purchases on a first in first out basis.

**1.16 OPERATING LEASES**

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

**1.17 CONVERSION TO AN ACADEMY TRUST**

The conversion from a state maintained school and from existing academy trusts to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Lympsham Church of England VC First School, East Brent C of E First School, Hugh Sexey Middle C of E Middle School and Mark C of E First School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Land and buildings have been included as per the valuation by the Trustees, other fixed assets have also been included at amounts valued by the Trustees. Pension assets and liabilities have been valued by Pensions Watch.

Further details of the transaction are set out in note 29 and 30.

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**1. ACCOUNTING POLICIES (continued)**

**1.18 TRANSFER OF EXISTING ACADEMIES INTO THE TRUST**

Where assets are received on the transfer of an existing Academy into the Trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Trust, which is on signing of the transfer agreement with the transferring Trust. An equal amount of income is recognised for the transfer of an existing Academy into the Trust within donations and capital grant income.

The transfer from an existing Academy in to the Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred from the existing Academies of Axbridge Church of England First School Academy, Weare Academy First School and Wedmore First School Academy to the Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in Donations - Transfer of existing academies in to the Trust in the Statement of Financial Activities and analysed under unrestricted funds, restricted funds and restricted fixed asset funds.

Land and Buildings have been included as per the valuation by the ESFA whilst other fixed assets have been included at amounts valued by the Trustees. Pension assets and liabilities have been valued by Pensions Watch.

Further details of the transaction are set out in note 30.

**1.19 AGENCY ARRANGEMENTS**

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in Note 27.



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FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 31, 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 2017. 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.

**Critical areas of judgment:**

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Transfer from Local Authority on conversion (note 29)	533,683	(1,131,622)	8,714,475	8,116,536	-
Transfer of existing academies in to the Trust (note 30)	287,596	(2,122,182)	5,347,306	3,512,720	-
<b>Total income on conversion</b>	<b>821,279</b>	<b>(3,253,804)</b>	<b>14,061,781</b>	<b>11,629,256</b>	<b>-</b>
Trip income and other donations	25,968	227,803	-	253,771	217,375
Capital grants	-	430,722	-	430,722	477,174
	<b>25,968</b>	<b>658,525</b>	<b>-</b>	<b>684,493</b>	<b>694,549</b>
	<b>847,247</b>	<b>(2,595,279)</b>	<b>14,061,781</b>	<b>12,313,749</b>	<b>694,549</b>
<i>Total 2016</i>	<i>1,857</i>	<i>215,518</i>	<i>477,174</i>	<i>694,549</i>	

**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Education	744,473	10,678,044	11,422,517	5,769,392
Nursery	381,966	-	381,966	-
	<b>1,126,439</b>	<b>10,678,044</b>	<b>11,804,483</b>	<b>5,769,392</b>
<i>Total 2016</i>	<i>138,848</i>	<i>5,630,544</i>	<i>5,769,392</i>	

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**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant	-	9,803,714	9,803,714	5,221,536
Start up Grants	-	-	-	189,000
Pupil premium	-	257,822	257,822	105,085
Other DfE/EFSA grants	-	357,809	357,809	26,152
	<u>-</u>	<u>10,419,345</u>	<u>10,419,345</u>	<u>5,541,773</u>
<b>Other funding</b>				
Internal catering income	380,707	-	380,707	115,995
Sales to students	85,171	-	85,171	18,898
Trip income	206,850	-	206,850	-
Other income	71,744	-	71,744	3,955
	<u>744,472</u>	<u>-</u>	<u>744,472</u>	<u>138,848</u>
	<u>744,472</u>	<u>10,678,044</u>	<u>11,422,516</u>	<u>5,769,392</u>
<i>Total 2016</i>	<u>138,848</u>	<u>5,630,544</u>	<u>5,769,392</u>	

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings	18,957	-	18,957	9,315
External Catering	3,356	-	3,356	3,560
Copy Shop	1,117	-	1,117	1,384
Consultancy	23,242	-	23,242	-
Fees received	66,432	-	66,432	-
Other	-	-	-	3,008
	<u>113,104</u>	<u>-</u>	<u>113,104</u>	<u>17,267</u>
<i>Total 2016</i>	<u>17,267</u>	<u>-</u>	<u>17,267</u>	

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**5. TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>CHARITY TRADING INCOME</b>				
Leisure centre income	1,146,215	-	1,146,215	1,179,013
<b>FUNDRAISING TRADING EXPENSES</b>				
Leisure Centre expenditure	1,022,646	-	1,022,646	1,219,524
Net income/(expenditure) from trading activities	<u>123,569</u>	<u>-</u>	<u>123,569</u>	<u>(40,511)</u>

**6. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	4,470	-	4,470	2,260
<i>Total 2016</i>	<u>2,260</u>	<u>-</u>	<u>2,260</u>	

**7. EXPENDITURE**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on fundraising trading	441,216	12,772	568,658	1,022,646	1,219,524
Education:					
Direct costs	7,711,823	469,040	813,423	8,994,286	4,667,844
Support costs	1,765,234	599,590	1,614,827	3,979,651	1,616,160
Nursery:					
Direct costs	242,822	55,629	-	298,451	-
Support costs	29,508	22,379	31,629	83,516	-
	<u>10,190,603</u>	<u>1,159,410</u>	<u>3,028,537</u>	<u>14,378,550</u>	<u>7,503,528</u>
<i>Total 2016</i>	<u>4,825,835</u>	<u>1,033,466</u>	<u>1,644,227</u>	<u>7,503,528</u>	

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**8. DIRECT COSTS**

	Education £	Nursery £	Total 2017 £	Total 2016 £
Pension finance costs	72,000	-	72,000	37,500
Educational supplies	244,770	-	244,770	334,969
Examination fees	177,529	-	177,529	164,230
Staff development	38,572	-	38,572	9,397
Other costs	60,757	-	60,757	-
Supply teachers	41,157	-	41,157	-
Wages and salaries	5,875,259	199,570	6,074,829	2,935,321
National insurance	578,104	7,577	585,681	251,221
Pension cost	1,258,460	35,675	1,294,135	520,331
Depreciation	647,678	55,629	703,307	414,875
	<u>8,994,286</u>	<u>298,451</u>	<u>9,292,737</u>	<u>4,667,844</u>
<i>Total 2016</i>	<u>4,667,844</u>	<u>-</u>	<u>4,667,844</u>	

**9. SUPPORT COSTS**

	Education £	Nursery £	Total 2017 £	Total 2016 £
Pension finance costs	79,000	-	79,000	39,500
Staff development	320	-	320	1,156
Other costs	505,374	31,629	537,003	49,393
Recruitment and support	30,689	-	30,689	46,761
Maintenance of premises and equipment	214,703	8,632	223,335	111,581
Cleaning	48,236	-	48,236	15,347
Rent and rates	81,824	-	81,824	36,534
Energy costs	164,559	9,237	173,796	67,791
Insurance	72,399	-	72,399	48,164
Security and transport	53,477	-	53,477	5,826
Catering	328,877	-	328,877	75,156
Technology costs	217,384	-	217,384	22,379
Office overheads	148,839	-	148,839	92,740
Legal and professional	187,289	-	187,289	148,209
Bank interest and charges	1,097	-	1,097	89
Loss on disposal of fixed assets	-	-	-	387
Governance	-	-	-	76,386
Wages and salaries	1,214,602	29,508	1,244,110	526,907
National insurance	74,449	-	74,449	30,375
Pension cost	476,183	-	476,183	149,112
Depreciation	80,350	4,510	84,860	72,367
	<u>3,979,651</u>	<u>83,516</u>	<u>4,063,167</u>	<u>1,616,160</u>
<i>Total 2016</i>	<u>1,616,160</u>	<u>-</u>	<u>1,616,160</u>	

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**10. TURNOVER**

The whole of the trading turnover is attributable to the provision of leisure facilities to the local community.

All turnover arose within the United Kingdom.

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

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets:		
- owned by the charitable group	<b>800,939</b>	493,754
Auditors' remuneration - audit	<b>14,750</b>	11,250
Auditors' remuneration - other services	<b>1,750</b>	2,050
	<u><u>          </u></u>	<u><u>          </u></u>

Included within Auditors' remuneration is £13,250 (2016: £8,950) relating to the Academy and £1,500 (2016: £2,300) relating to the trading subsidiary.

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**12. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	7,607,665	3,761,988
Social security costs	676,981	295,333
Operating costs of defined benefit pension schemes	1,853,937	731,336
	<u>10,138,583</u>	<u>4,788,657</u>
Apprenticeship levy	10,303	-
Supply teacher costs	41,157	25,065
Staff restructuring costs	560	12,113
	<u>10,190,603</u>	<u>4,825,835</u>

Staff restructuring costs comprise:

	2017 £	2016 £
Redundancy payments	<u>560</u>	<u>12,113</u>

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

	2017 No.	2016 No.
Teaching staff	130	72
Teaching support staff	74	25
Administrative & technical	154	39
Leisure centre	16	16
Management	18	5
	<u>392</u>	<u>157</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teaching staff	119	68
Teaching support staff	48	17
Administrative & technical	82	23
Leisure centre	16	16
Management	16	5
	<u>281</u>	<u>129</u>

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**12. STAFF COSTS (continued)**

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

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>1</b>	<b>2</b>
In the band £70,001 - £80,000	<b>3</b>	<b>0</b>
In the band £110,001 - £120,000	<b>1</b>	<b>1</b>

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and certain members of the Academy Leadership Group as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by 3 (2016: 5) employees considered to be key management personnel for their services to the Academy Trust was £348,639 (2016: £474,390).

As staff trustees are not remunerated in respect of their role as a trustee, where staff trustees do not form part of the key management personnel other than in their role as trustee, their remuneration as set out in note 13 has not been included in the total benefits received by key management personnel above.

**13. 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 Head Teacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher 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: C Richardson: Remuneration £125,000 - £130,000 (2016: £115,000 - £120,000), Employer's pension contributions £20,000 - £25,000 (2016: £10,000 - £15,000).

During the year, no Trustees received any benefits in kind (2016: £NIL).

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016: £399 to 2 Trustees).

**14. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2017 is included within insurance costs as stated in note 9.



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**15. TANGIBLE FIXED ASSETS**

<b>GROUP</b>	<b>Long term leasehold property £</b>	<b>Motor vehicles £</b>	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>COST</b>					
At 1 September 2016	18,588,031	16,944	523,269	279,480	19,407,724
Additions	943,317	6,510	65,831	70,043	1,085,701
Transfers into the Trust	13,676,467	-	267,691	136,828	14,080,986
At 31 August 2017	<u>33,207,815</u>	<u>23,454</u>	<u>856,791</u>	<u>486,351</u>	<u>34,574,411</u>
<b>DEPRECIATION</b>					
At 1 September 2016	1,631,976	16,944	380,114	169,931	2,198,965
Charge for the year	599,217	1,302	111,158	89,262	800,939
At 31 August 2017	<u>2,231,193</u>	<u>18,246</u>	<u>491,272</u>	<u>259,193</u>	<u>2,999,904</u>
<b>NET BOOK VALUE</b>					
At 31 August 2017	<u>30,976,622</u>	<u>5,208</u>	<u>365,519</u>	<u>227,158</u>	<u>31,574,507</u>
At 31 August 2016	<u>16,956,055</u>	<u>-</u>	<u>143,155</u>	<u>109,549</u>	<u>17,208,759</u>

On 1 September 2016 tangible fixed assets were transferred from the existing Academies of Axbridge Church of England First School Academy, Weare Academy First School and Wedmore First School Academy. These assets were transferred at their carrying value given in the financial statements of the standalone Academy Trusts.

On 1 November 2016 the Bath and Wells Diocese donated assets on the conversion of Lympsham Church of England VC First School, East Brent C of E First School, Hugh Sexey Middle C of E Middle School and Mark C of E First School to the Trust. Buildings and land have been brought in at a best estimate of depreciated replacement cost based on the value of other similar assets within the Trust.

Where the Trust occupies land and buildings owned by the Bath and Wells Diocese under a Church Supplemental Agreement, the Trust recognise these land and buildings as tangible fixed assets. The Supplemental Agreement includes the right for the Trustees of the Bath and Wells Diocese to give not less than two years written notice to the Trust and the Secretary of State for Education to terminate the agreement. No such written notice has been received as at the date of the approval of the financial statements.

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<b>TRUST</b>	<b>Long term leasehold property</b>	<b>Motor vehicles</b>	<b>Fixtures and fittings</b>	<b>Computer equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>COST</b>					
At 1 September 2016	18,588,031	16,944	454,728	279,480	19,339,183
Additions	943,317	6,510	35,179	70,043	1,055,049
Transfers intra group	13,676,467	-	267,691	136,828	14,080,986
	<u>33,207,815</u>	<u>23,454</u>	<u>757,598</u>	<u>486,351</u>	<u>34,475,218</u>
<b>DEPRECIATION</b>					
At 1 September 2016	1,631,976	16,944	371,168	169,931	2,190,019
Charge for the year	599,217	1,302	98,386	89,262	788,167
	<u>2,231,193</u>	<u>18,246</u>	<u>469,554</u>	<u>259,193</u>	<u>2,978,186</u>
<b>NET BOOK VALUE</b>					
At 31 August 2017	<u>30,976,622</u>	<u>5,208</u>	<u>288,044</u>	<u>227,158</u>	<u>31,497,032</u>
At 31 August 2016	<u>16,956,055</u>	<u>-</u>	<u>83,560</u>	<u>109,549</u>	<u>17,149,164</u>

**16. FIXED ASSET INVESTMENTS**

<b>Investment in subsidiary</b>	<b>Shares in group undertakings</b>
<b>Cost</b>	<b>£</b>
At 1 September 2016 and 31 August 2017	<u>1</u>

**17. STOCKS**

	<b>GROUP</b>		<b>TRUST</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Finished goods and goods for resale	<u>2,307</u>	<u>-</u>	<u>2,307</u>	<u>-</u>

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**18. DEBTORS**

	<u>GROUP</u>		<u>TRUST</u>	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	5,695	2,239	5,695	2,239
Amounts owed by group undertakings	-	-	226,733	226,733
VAT Recoverable	26,961	21,517	26,961	21,517
Other debtors	30,104	7,902	24,225	-
Prepayments and accrued income	264,233	156,285	258,888	151,063
	<u>326,993</u>	<u>187,943</u>	<u>542,502</u>	<u>401,552</u>

**19. CURRENT ASSET INVESTMENTS**

	<u>GROUP</u>		<u>TRUST</u>	
	2017 £	2016 £	2017 £	2016 £
Fixed term deposits	100,000	100,000	-	-

Fixed term deposits represent cash funds held in unbreakable interest bearing fixed term accounts redeemable between three months and one year.

**20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<u>GROUP</u>		<u>TRUST</u>	
	2017 £	2016 £	2017 £	2016 £
Trade creditors	81,024	70,457	64,917	-
Other taxation and social security	170,064	82,881	166,598	79,286
Other creditors	211,228	309,666	191,871	293,486
Accruals and deferred income	261,435	231,911	218,264	8,900
	<u>723,751</u>	<u>694,915</u>	<u>641,650</u>	<u>381,672</u>

	<u>GROUP</u>		<u>TRUST</u>	
	2017 £	2016 £	2017 £	2016 £
<b>DEFERRED INCOME</b>				
Deferred income at 1 September 2016	44,264	35,247	-	-
Resources deferred during the year	207,682	44,264	169,230	-
Amounts released from previous years	(44,264)	(35,247)	-	-
Deferred income at 31 August 2017	<u>207,682</u>	<u>44,264</u>	<u>169,230</u>	<u>-</u>

£38,452 of deferred revenue (2016: £44,264) is in respect of annual memberships of the Leisure facilities. The remainder is in relation to funds received in advance from the ESFA for Universal Infant Free School Meals income and from parents for educational visits in the 2017/18 academic year.

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**21. FINANCIAL INSTRUMENTS**

	2017 £	2016 £
Financial assets measured at fair value through income and expenditure	3,879,645	3,225,337
Financial assets measured at amortised cost	280,034	251,640
	<u>4,159,679</u>	<u>3,476,977</u>
Financial liabilities measured at amortised cost	<u>(526,300)</u>	<u>(494,988)</u>

Financial assets measured at fair value through income and expenditure comprise of cash at bank and in hand.

Financial assets measured at amortised cost comprise of trade debtors, other debtors and accrued income.

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

**22. STATEMENT OF FUNDS**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>DESIGNATED FUNDS</b>						
Designated Funds	475,270	-	-	-	-	475,270
<b>GENERAL FUNDS</b>						
General funds	152,865	2,091,259	(1,644,351)	-	-	599,773
Leisure centre	699,045	1,146,216	(972,646)	-	-	872,615
	<u>851,910</u>	<u>3,237,475</u>	<u>(2,616,997)</u>	<u>-</u>	<u>-</u>	<u>1,472,388</u>
Total Unrestricted funds	<u>1,327,180</u>	<u>3,237,475</u>	<u>(2,616,997)</u>	<u>-</u>	<u>-</u>	<u>1,947,658</u>

Designated funds of £110,000 are to be used towards the replacement of windows and cladding for the Business Services and Art Blocks. Further funds of £365,270 were designated in 2014-15 and 2015-16 to contribute towards the replacement of the all-weather sports pitches.

Leisure centre unrestricted funds represent the balance of accumulated income and expenditure both pre and post hive-down into Kings of Wessex Fitness and Leisure Limited. The defined benefit pension liability in Kings Fitness and Leisure Limited is disclosed in restricted funds below.

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

**RESTRICTED FUNDS**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	1,003,188	9,803,714	(8,994,070)	(49,722)	-	1,763,110
Pupil premium	-	257,822	(257,822)	-	-	-
Other DfE/EFSA income	-	341,559	(341,559)	-	-	-
Start up grant	60,901	-	(60,901)	-	-	-
Condition Improvement fund income	-	369,931	-	(369,931)	-	-
Devolved formula capital	-	60,791	-	(60,791)	-	-
Transfer on conversion to multi-academy trust	-	188,196	(65,378)	(122,818)	-	-
High needs income	-	137,499	(137,499)	-	-	-
Other local authority income	-	137,450	(137,450)	-	-	-
Trips income	34,904	141,678	(176,582)	-	-	-
Donations and other income	-	76,125	(76,125)	-	-	-
Pension reserve	(3,328,000)	(3,432,000)	(726,000)	-	1,692,000	(5,794,000)
	<u>(2,229,007)</u>	<u>8,082,765</u>	<u>(10,973,386)</u>	<u>(603,262)</u>	<u>1,692,000</u>	<u>(4,030,890)</u>

**RESTRICTED FIXED ASSET FUNDS**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Fixed assets transferred into the Trust	14,390,269	14,061,781	(679,018)	-	-	27,773,032
Fixed assets purchased from GAG and other restricted funds	1,193,906	-	(42,311)	172,540	-	1,324,135
DfE/EFSA Capital grants	2,016,776	-	(66,838)	430,722	-	2,380,660
	<u>17,600,951</u>	<u>14,061,781</u>	<u>(788,167)</u>	<u>603,262</u>	<u>-</u>	<u>31,477,827</u>
Total restricted funds	<u>15,371,944</u>	<u>22,144,546</u>	<u>(11,761,553)</u>	<u>-</u>	<u>1,692,000</u>	<u>27,446,937</u>
Total of funds	<u>16,699,124</u>	<u>25,382,021</u>	<u>(14,378,550)</u>	<u>-</u>	<u>1,692,000</u>	<u>29,394,595</u>

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

**STATEMENT OF FUNDS - PRIOR YEAR**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
<b>DESIGNATED FUNDS</b>						
Designated Funds	260,000	-	-	215,270	-	475,270
	<u>260,000</u>	<u>-</u>	<u>-</u>	<u>215,270</u>	<u>-</u>	<u>475,270</u>
<b>GENERAL FUNDS</b>						
General funds	336,773	160,232	(128,870)	(215,270)	-	152,865
Leisure centre	709,556	1,179,013	(1,189,524)	-	-	699,045
	<u>1,046,329</u>	<u>1,339,245</u>	<u>(1,318,394)</u>	<u>(215,270)</u>	<u>-</u>	<u>851,910</u>
Total Unrestricted funds	<u>1,306,329</u>	<u>1,339,245</u>	<u>(1,318,394)</u>	<u>-</u>	<u>-</u>	<u>1,327,180</u>
<b>RESTRICTED FUNDS</b>						
	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
General Annual Grant (GAG)	824,143	5,221,536	(4,916,095)	(126,396)	-	1,003,188
High needs funding	-	50,270	(50,270)	-	-	-
Pupil premium	-	105,085	(105,085)	-	-	-
Start up grant	-	189,000	(128,099)	-	-	60,901
Other DfE/ESFA grants	-	26,152	(26,152)	-	-	-
Other LA income	-	38,501	(38,501)	-	-	-
Donations	-	4,066	(4,066)	-	-	-
Trip income	31,076	211,452	(207,624)	-	-	34,904
Pension reserve	(1,961,000)	-	(222,000)	-	(1,145,000)	(3,328,000)
	<u>(1,105,781)</u>	<u>5,846,062</u>	<u>(5,697,892)</u>	<u>(126,396)</u>	<u>(1,145,000)</u>	<u>(2,229,007)</u>

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

**RESTRICTED FIXED ASSET FUNDS**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Fixed assets transferred into the Trust	14,737,949	-	(347,680)	-	-	14,390,269
Fixed assets purchased from GAG and other restricted funds	1,147,991	25,774	(106,255)	126,396	-	1,193,906
DfE/EFSA Capital grants	1,598,683	451,400	(33,307)	-	-	2,016,776
	<u>17,484,623</u>	<u>477,174</u>	<u>(487,242)</u>	<u>126,396</u>	<u>-</u>	<u>17,600,951</u>
Total restricted funds	<u>16,378,842</u>	<u>6,323,236</u>	<u>(6,185,134)</u>	<u>-</u>	<u>(1,145,000)</u>	<u>15,371,944</u>
Total of funds	<u>17,685,171</u>	<u>7,662,481</u>	<u>(7,503,528)</u>	<u>-</u>	<u>(1,145,000)</u>	<u>16,699,124</u>

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

**RESTRICTED FUNDS**

The General Annual Grant (GAG) - This represents Income from the ESFA which is to be used for the normal running costs of the Trust, including education and support costs. During the year £49,722 (2016: £126,396) was transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG.

High Needs Funding - This represents funding received from the Local Authority to fund further support for students with additional needs.

Pupil Premium - This represents funding received from the ESFA for disadvantaged children to enable the academy to address the current underlying inequalities between those children and their wealthier peers.

Start-up Grant - This represents one off funding received from the ESFA to contribute to the cost of converting from a single unit Academy to a Multi-Academy Trust.

Condition Improvement fund income - These funds are received for direct expenditure on fixed asset projects. The fixed asset fund balance at the year end represents the NBV of assets and any unspent grant amounts.

Other DfE/ESFA Income - This represents funding received from the ESFA for the contribution to the Academy Trust's cost of business rates.

Other LA income - This represents funding received of in relation to PFSA and other grants from Somerset County Council

Donations - This represents donations received for a specific purpose by pupil parents and other fundraising activities by the Trust.

Trips income - This represents voluntary contributions made by parents for educational school trips that have taken place during the period.

**WESSEX LEARNING TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**22. STATEMENT OF FUNDS (continued)**

Pension reserve - This represents the Trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy Trust. The year end deficit balance is £5,794,000.

**RESTRICTED FIXED ASSET FUNDS**

Fixed assets transferred into the Trust - This represents the buildings and equipment donated to the School from the Local Authority and Bath and Wells Diocese on conversion to an Academy status; these have then been transferred into the Trust.

Fixed assets purchased from GAG and other restricted funds represent amounts spent on fixed assets from the GAG funding received from the ESFA.

DfE/ESFA Capital grants represents funding received from the Capital Improvement Fund to cover the maintenance and purchase of the Trust's assets.

**OTHER INFORMATION**

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2017 were allocated as follows:

	<b>Total 2017 £</b>	<b>Total 2016 £</b>
The Kings of Wessex Academy	1,677,156	1,727,128
Wedmore First School Academy	69,008	-
Axbridge Church of England First School Academy	238,322	-
Hugh Sexey Church of England Middle School	231,894	-
Lympsham Church of England Academy	196,640	-
East Brent Church of England First School	56,998	-
Weare Academy First School	162,979	-
Mark First and Pre-School CE Academy	219,812	-
Kings of Wessex Fitness and Leisure - trading subsidiary	872,614	699,045
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	3,725,423	2,426,173
Restricted fixed asset fund	31,477,827	17,600,951
Pension reserve	(5,794,000)	(3,328,000)
	<hr/>	<hr/>
Total	<b>29,409,250</b>	<b>16,699,124</b>
	<hr/> <hr/>	<hr/> <hr/>



**WESSEX LEARNING TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**22. STATEMENT OF FUNDS (continued)**

**ANALYSIS OF ACADEMIES BY COST**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2017 £	Total 2016 £
The Kings of Wessex Academy	3,613,850	700,505	124,452	1,094,462	5,533,269	5,826,762
Wedmore First School Academy	681,759	179,481	14,923	144,574	1,020,737	-
Axbridge Church of England First School Academy	543,440	110,243	19,431	138,471	811,585	-
Hugh Sexey Church of England Middle School	1,474,375	241,731	29,350	452,954	2,198,410	-
Lympsham Church of England Academy	377,536	35,346	18,944	143,202	575,028	-
East Brent Church of England First School	182,714	37,301	4,531	64,263	288,809	-
Weare Academy First School	408,036	122,057	15,944	120,392	666,429	-
Mark First and Pre- School CE Academy	392,234	91,775	17,195	105,225	606,429	-
Central services	12,701	19,303	-	185,981	217,985	-
Kings of Wessex Fitness and Leisure - trading subsidiary	-	390,656	-	556,446	947,102	1,189,524
	<u>7,686,645</u>	<u>1,928,398</u>	<u>244,770</u>	<u>3,005,970</u>	<u>12,865,783</u>	<u>7,016,286</u>

**WESSEX LEARNING TRUST**  
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**23. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	96,680	-	31,477,827	31,574,507
Current assets	1,936,689	2,401,150	-	4,337,839
Creditors due within one year	(85,711)	(638,040)	-	(723,751)
Pension scheme liability	-	(5,794,000)	-	(5,794,000)
	<u>1,947,658</u>	<u>(4,030,890)</u>	<u>31,477,827</u>	<u>29,394,595</u>

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

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	59,595	-	17,149,164	17,208,759
Current assets	1,580,828	1,480,665	451,787	3,513,280
Creditors due within one year	(313,243)	(381,672)	-	(694,915)
Provisions for liabilities and charges	-	(3,328,000)	-	(3,328,000)
	<u>1,327,180</u>	<u>(2,229,007)</u>	<u>17,600,951</u>	<u>16,699,124</u>

**24. CENTRAL SERVICES**

No central services were provided by the Trust to its academies during the year and no central charges arose.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>GROUP</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Net income for the year (as per Statement of Financial Activities)	<b>11,003,471</b>	158,953
<b>Adjustment for:</b>		
Depreciation charges	<b>800,939</b>	493,754
Dividends, interest and rents from investments	<b>(4,470)</b>	(3,467)
Loss on the sale of fixed assets	<b>-</b>	387
Increase in stocks	<b>(876)</b>	-
Decrease/(increase) in debtors	<b>51,666</b>	(77,754)
(Decrease)/increase in creditors	<b>(198,548)</b>	228,595
Capital grants from DfE and other capital income	<b>-</b>	(477,174)
Defined benefit pension scheme obligation on conversion	<b>3,432,000</b>	-
Defined benefit pension scheme cost less contributions payable	<b>582,000</b>	119,000
Defined benefit pension scheme finance cost	<b>144,000</b>	103,000
Assets and liabilities acquired on conversion	<b>(15,061,256)</b>	-
<b>Net cash provided by operating activities</b>	<b>748,926</b>	545,294

**26. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>GROUP</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>4,008,539</b>	3,325,337
	<b>4,008,539</b>	3,325,337

**27. MEMBERS' LIABILITY**

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

**28. GENERAL INFORMATION**

Wessex Learning Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Station Road, Cheddar, Somerset, BS27 3AQ.

**29. CONVERSION TO AN ACADEMY TRUST**

On 1 November 2017 Lympsham Church of England VC First School, East Brent C of E First School, Hugh Sexey Middle C of E Middle School and Mark C of E First School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Wessex Learning Trust from Somerset County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities

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**29. CONVERSION TO AN ACADEMY TRUST (continued)**

transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	8,421,158	8,421,158
- Other tangible fixed assets	-	-	293,317	293,317
Budget surplus/(deficit) on LA funds	415,767	65,378	-	481,145
Budget surplus/(deficit) on other school funds	117,916	-	-	117,916
LGPS pension surplus/(deficit)	-	(1,197,000)	-	(1,197,000)
Net assets/(liabilities)	<u>533,683</u>	<u>(1,131,622)</u>	<u>8,714,475</u>	<u>8,116,536</u>

The above net assets include £599,061 that were transferred as cash.

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**30. TRANSFER OF EXISTING ACADEMIES INTO THE TRUST**

**Axbridge Church of England First School  
Academy**

	Value reporting by transferring trust £	Fair value adjustments £	Transfer in recognised £
<b>Tangible fixed assets</b>			
Long-term leasehold property	1,524,995	-	1,524,995
Furniture and equipment	17,815	-	17,815
Computer equipment	15,191	-	15,191
Debtors due within one year	60,000	-	60,000
Cash in bank and in hand	243,000	-	243,000
<b>Liabilities</b>			
Creditors due within one year	(123,000)	-	(123,000)
<b>Pensions</b>			
Pensions - pension scheme assets	356,000	-	356,000
Pensions - pension scheme liabilities	(1,156,000)	-	(1,156,000)
<b>Net assets</b>	<u>938,001</u>	<u>-</u>	<u>938,001</u>

**Weare Academy First School**

	Value reporting by transferring trust £	Fair value adjustments £	Transfer in recognised £
<b>Tangible fixed assets</b>			
Long-term leasehold property	1,559,112	-	1,559,112
Fixtures and fittings	5,539	-	5,539
Computer equipment	5,137	-	5,137
Stock	2,307	-	2,307
Debtors due within one year	60,516	-	60,516
Cash in bank and in hand	68,966	-	68,966
<b>Liabilities</b>			
Creditors due within one year	(56,243)	-	(56,243)
<b>Pensions</b>			
Pensions - pension scheme assets	345,000	-	345,000
Pensions - pension scheme liabilities	(1,102,000)	-	(1,102,000)
<b>Net assets</b>	<u>888,334</u>	<u>-</u>	<u>888,334</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**30. TRANSFER OF EXISTING ACADEMIES INTO THE TRUST (continued)**

**Wedmore First School Academy**

	Value reporting by transferring trust £	Fair value adjustments £	Transfer in recognised £
<b>Tangible fixed assets</b>			
Long-term leasehold property	2,125,092	-	2,125,092
Improvements to property	46,150	-	46,150
Furniture and equipment	35,234	-	35,234
Computer equipment	13,041	-	13,041
Stock	1,431	-	1,431
Debtors due within one year	10,612	-	10,612
Cash in bank and in hand	229,581	-	229,581
<b>Liabilities</b>			
Creditors due within one year	(96,756)	-	(96,756)
<b>Pensions</b>			
Pensions - pension scheme assets	412,000	-	412,000
Pensions - pension scheme liabilities	(1,090,000)	-	(1,090,000)
<b>Net assets</b>	<u>1,686,385</u>	<u>-</u>	<u>1,686,385</u>

**31. PENSION COMMITMENTS**

The Group'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 Somerset County Council. Both are Multi-employer defined benefit pension schemes.

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

Contributions amounting to £237,943 were payable to the schemes at 31 August 2017 (2016: 53,306) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial

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**31. PENSION COMMITMENTS (continued)**

scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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 £763,812 (2016: £417,770).

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

Under the definitions set out in FRS 102, the TPS is 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 2017 was £557,000 (2016: £231,000), of which employer's contributions totalled £421,000 (2016: £169,000) and employees' contributions totalled £136,000 (2016: £62,000). The agreed contribution rates for future years are 20.9% for employers and 5.5% - 12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Expected return on scheme assets at 31 August	2.20 %	3.60 %
Rate of increase in salaries	3.90 %	4.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.30 %
Inflation assumption (CPI)	2.40 %	2.30 %

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**31. PENSION COMMITMENTS (continued)**

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

	2017	2016
Retiring today		
Males	<b>23.9 years</b>	23.8 years
Females	<b>25.0 years</b>	26.2 years
Retiring in 20 years		
Males	<b>26.1 years</b>	26.1 years
Females	<b>27.3 years</b>	28.5 years

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	<b>3,031,278</b>	1,156,000
Debt instruments	<b>422,475</b>	175,000
Property	<b>385,073</b>	170,000
Government bonds	<b>244,814</b>	124,000
Cash	<b>3,825</b>	47,000
Other	<b>384,000</b>	-
Total market value of assets	<b>4,471,465</b>	1,672,000

The actual return on scheme assets was £611,000 (2016: £225,000).

The amounts recognised in the Statement of financial activities are as follows:

	2017 £	2016 £
Current service cost	<b>(1,028,000)</b>	(288,000)
Past service cost	-	(26,000)
Interest income	<b>74,000</b>	54,000
Interest cost	<b>(225,000)</b>	(131,000)
Total	<b>(1,179,000)</b>	(391,000)
Actual return on scheme assets	<b>611,000</b>	225,000



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**31. PENSION COMMITMENTS (continued)**

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

	2017 £	2016 £
Opening defined benefit obligation	5,000,000	3,235,000
Transferred into multi-academy trust	5,184,000	-
Current service cost	1,028,000	288,000
Interest cost	225,000	131,000
Employee contributions	150,000	62,000
Actuarial (gains)/losses	(1,119,000)	1,315,000
Benefits paid	(63,000)	(57,000)
Past service costs	-	26,000
	<u>10,405,000</u>	<u>5,000,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	1,672,000	1,274,000
Transferred into multi-academy trust	1,752,000	-
Interest income	82,000	55,000
Actuarial gains/(losses)	573,000	170,000
Employer contributions	454,000	169,000
Employee contributions	150,000	62,000
Benefits paid	(63,000)	(57,000)
Administration expenses	(9,000)	(1,000)
	<u>4,611,000</u>	<u>1,672,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**32. OPERATING LEASE COMMITMENTS**

At 31 August 2017 the total of the Group's future minimum lease payments under non-cancellable operating leases was:

<b>GROUP</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	<b>38,289</b>	73,413
Between 1 and 5 years	<b>29,337</b>	57,234
Total	<b>67,626</b>	130,647

At 31 August 2017 the Trust had annual commitments under non-cancellable operating leases as follows:

<b>TRUST</b>		
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	<b>36,849</b>	29,055
Between 1 and 5 years	<b>29,217</b>	55,674
Total	<b>66,066</b>	84,729

**33. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisation, it is likely that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

No such transactions have occurred during the period.

Included within debtors due within one year is £226,733 (2016: £226,733) due from Kings of Wessex Fitness and Leisure Limited, a wholly owned subsidiary of the Trust.

**34. AGENCY ARRANGEMENTS**

The Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ended 31 August 2017 the Trust received £16,055 and disbursed £1,400 from the fund. An amount of £14,655 included in other creditors relating to undistributed funds that is repayable to the ESFA.

The Trust receives cash from students as an agent for several travel agents. In the accounting period ended 31 August 2017 the Trust received £168,909 and disbursed £179,288 from the fund for trips. An amount of £46,038 is included in other creditors relating to undistributed funds that are payable to travel agents.