
WISE OWL TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

WISE OWL TRUST
(A company limited by guarantee)

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WISE OWL TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mrs V Tempest
Mr G Larder
Mr J Battle

Trustees

Mr G Larder (resigned 9 December 2020)
Mr I Chadwick (resigned 15 September 2020)
Mr J Battle, Chair
Mrs V Tempest (ex officio) (resigned 9 December 2020)
Mr J Corcoran (ex officio)
Mrs E Foster, Vice Chair
Mr K Innes (appointed 20 October 2020)
Miss S Wilkinson (appointed 9 December 2020)
Mr R Fayette (appointed 9 December 2020)
Ms H Fisher (appointed 15 December 2020)
Mr M Iqbal (appointed 9 December 2020, resigned 8 July 2021)
Miss S Sturgeon (appointed 8 July 2021)

Company registered number

8053288

Company name

Wise Owl Trust

Principal and registered office

Briscoe Lane Academy
Briscoe Lane
Manchester
M40 2TB

Senior management team

Mrs S Murfin, Executive Principal/Chief Executive Officer
Mrs C Hall, Principal (Briscoe Lane Academy)
Miss J Dennis, Principal (Seymour Road Academy)
Mrs H Brooker, Principal (Old Hall Drive)
Mrs D Ollerenshaw, Trust Finance Director

Independent auditor

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

WISE OWL TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The trustees, who are also directors for the purposes of company law, present their report and the audited financial statements of Wise Owl Trust ('the Company', 'Charitable Company' or 'the Trust') for the period from 1st September 2020 to 31st August 2021.

Structure, governance and management

a. Constitution

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

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

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

The trustees of Wise Owl Trust are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member. The Secretary of State for Education can direct the trustees of the Trust in certain circumstances where the quality of education is deemed unsatisfactory.

c. Trustees' indemnities

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

d. Method of recruitment and appointment or election of Trustees

The Members of the Trust are responsible for the appointment of Trust Directors except a minimum of two Parent Governors who will be appointed through an election process directed by the Local Governing Body. In the event that these positions are not filled, the members of the Trust are able to appoint to these positions.

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

e. Policies adopted for the induction and training of Trustees

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

f. Organisational structure

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

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

The governing board has determined that it is able to convene on a termly basis and maintain effective oversight, particularly as the Chair of the Board meets regularly with the CEO to monitor progress and is kept informed of any pertinent matters which may arise from time to time. Trustees receive monthly reports via Trust Governor website relating to the financial position and, from time to time, are provided with other relevant reports relating to matters at the School which has continued to prove to be an effective way in which to keep Trustees informed between meetings, although it has been necessary previously for the board to hold meetings outside of its prescribed schedule. In these circumstances arrangements have been coordinated by the Clerk. Trustees are also encouraged to visit the Academies at any time to meet with the Principals and other employees or simply to observe aspects of the school day.

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

g. Arrangements for setting pay and remuneration of key management personnel

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

The key management personnel will be appraised by the Trust, supported by a suitably skilled and/or experienced external advisor who has been appointed by the Trust for that purpose. The task of appraising the key management personnel will be delegated to a sub group consisting of at least two members of the Trust including the Chair of the LGB as appropriate. The Trust Business Manager is appraised by the CEO. The Trust determines the salary arrangements for the key management personnel and these are reviewed annually as part of the performance management process. Trustees including Chairs of LGBs, as appropriate, review performance against targets for any contractual bonus payments. This review has regard to the specific responsibilities of the role, the challenges that are specific to the role, sustained performance, the growth of capacity within the Trust and all other relevant considerations.

Trade union facility time

No time was spent on Trade Union Facilities Time.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

h. Related parties and other connected charities and organisations

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

During the period, a local school governor who is a director of CPOMS became a trustee. The amounts paid to CPOMS during their time as a local school governor have been disclosed below as a connected party. Wise Owl Trust paid £940 to CPOMS (2020: £NIL), of which a trustee is a director. The balance outstanding at year end was £NIL (2020: £NIL).

During the year an employee of Manchester City Council became a Trustee and local school governor. The schools have had transactions with Manchester City Council in the year as follows:

Income received from MCC:

- Early Years Funding
- Musci Grant
- EHCP funding
- Early Years Pupil Premium

Purchases made from MCC:

- DBS applications
- Pest Control
- Manchester Fayre school meals (BLA & SRA)
- MAT/PAT/Adoption Insurance scheme
- GDPR SLA
- Energy Management SLA
- Payroll Services
- Legal Services SLA

Objectives and activities

WISE OWL TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

a. Objects and aims

The Trust's objective is to give opportunity to all children irrespective of their background by providing them with a high quality, inclusive education combined with the life skills required to flourish in later life.

The Trust believes that all pupils deserve the best education. Pupils' should be enabled to follow the trust motto of **'Together Everyone Achieves More'**. Our mission is to **commit to every child and every family; removing barriers, raising aspirations and building futures.**

The Trust is committed to supporting the local community that each academy serves by putting the school at the heart and ensuring civic leadership is at the core of our strategic vision.

As a Trust we believe that we have a moral duty to our existing school families and staff to ensure that any future growth plan supports and strengthens our existing Trust whilst balancing this with supporting other schools to offer a 'Good' or better education.

The Trust's approach to this strategy includes ensuring the following:

- We provide an inclusive education for all
- Our pupils engage in their learning by offering a broad and inspirational curriculum offer
- Our pupils achieve their potential through high quality teaching and learning provision equipping them with the necessary skills to be successful in the next stages of their learning
- We prepare our children for life to enable them to make positive contributions to society
- We are committed to supporting our parents and families
- We are committed to our staff
- A sustainable future for all with responsible spending
- Impact beyond the reach of Wise Owl into the local community

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

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

b. Objectives, strategies and activities

The Trust's strategic objectives for the period ended 31 August 2021 were:

- To ensure that each academy has robust and sound finance including working towards/achievement of baseline reserve figure set by the Trust.
- To ensure where possible that each academy has a balanced or surplus budget (including revenue balances from previous years)
- To ensure that staffing costs as a % of both total income and expenditure does not exceed 78% across the Trust
- To ensure that each academy aspires to have pupil attendance of 96% or above (once COVID absences have been removed)
- All academies to have made progress against their areas for development as identified at the last Ofsted as evaluated by CEO, Principals, Teaching and Learning lead
- To ensure that the measurable pupil outcomes are in line with previous achievements (taking into consideration impact of COVID), with aspirational targets. Accelerated progress shown in all year groups in Reading, Writing and Maths
- To deliver the new curriculum to ensure a broad and balanced offer for all year groups

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

c. Public benefit

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

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

Strategic report

Achievements and performance

The strategic aims of the Trust during the year ended 31st August 2021 are summarised below with progress against each reviewed. Trustees are pleased to report significant progress.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

Strategic Objectives	Progress and outcome
To ensure that each academy has robust and sound finance including working towards/achievement of baseline reserve figure set by the Trust.	All academies fully achieved baseline reserve figures set by the Trust for 2020/21. Internal audit visits identified strong working practice and procedures with regards to finance.
To ensure where possible that each academy has a balanced or surplus budget (including revenue balances from previous years)	All academies set surplus budgets using revenue balances from previous years in 2020/21. Due to the impact of covid, there was significant underspend during 2020/21 across the Trust.
To ensure that staffing costs as a % of both total income and expenditure does not exceed 78% across the Trust	The staffing costs as a % of income and expenditure for 2020/21 was 74%
All academies to have made progress against their areas for development as identified at the last Ofsted as evaluated by CEO, Principals, Teaching and Learning lead	The academies have continued to make good progress with clear and robust improvement plans focussed on the high quality teaching and learning. Networking with other schools and trusts has enabled a good quality professional development offer to be put in place. Academies have a clear pipeline of talent to nurture and increase capacity within the Trust to support future growth plans.
To ensure that the measurable pupil outcomes are in line with previous achievements (taking into consideration the impact of the pandemic), with aspirational targets. Accelerated progress shown in all year groups in Reading, Writing and Maths	The academies within the Trust have experienced huge disruption to the teaching and learning throughout the pandemic. During lockdowns in the financial year, all three schools were open for key worker and vulnerable children. All three schools had occupancy of approximately 50% during such times. A hybrid offer of online learning and paper based activities were offered to parents. The high volume of bubble closures across the schools were notable and thereby impacted on the amount of face-to-face learning. The Trust is pleased to report the data as shown, which has been gathered through a culmination of summative and formative assessment. There is a robust Trust Improvement Plan focussed on driving standards in the forthcoming year.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

Strategic Objectives	Progress and outcome
To deliver the new curriculum to ensure a broad and balanced offer for all year groups	The new curriculum offers a broad and balanced breadth of study which has been monitored and evaluated both internally and externally. The curriculum and its impact will continue to be monitored.
To continue to strengthen the governance across the Trust	The governance structure has been reviewed and changes made to create a Trust Board with 3 sub committees; <ul style="list-style-type: none"> - Finance, Risk and Audit - Performance, Quality and Standards - Premises, Health and Safety Trustees Chair the committees and are attended by Trustees and Governors. The recruitment of a number of new Trustees and Governors has strengthened the skills set on the board. The Trust now employs a National Leader of Governance to advise
To centralise services across the Trust and build capacity for growth	The team are now centralised at one academy and offer a variety of support services across the Trust. Leaders and Trustees have a clear understanding of our current levels of capacity and growth plan

Achievements and Performance

Early Years Foundation Stage

	BLA	SRA	OHD	National
	2021	2021	2021	from FFT
Good Level of Development	55%	60%	58%	58
Prime Early Learning Goals	62%	64%	62%	
Specific Learning Goals	55%	60%	60%	

Year 1 Phonics

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

	BLA	SRA	OHD	Mcr
	2021	2021	2021	Average
Expected Standard	74%	73%	66%	73.1

KS1 Expected Standard

	BLA	SRA	OHD	National
	2021	2021	2021	from FFT
Reading	66%	67%	65%	67
Writing	55%	66%	60%	59
Maths	65%	71%	63%	68
Science	70%	69%	70%	
Combined	58%	54%	60%	54

KS1 Higher Standard

	BLA	SRA	OHD	National
	2021	2021	2021	from FFT
Reading	14%	12%	12%	20
Writing	6%	12%	8%	10
Maths	10%	14%	15%	16
Combined	6%	12%	6%	7

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

KS2 – 2021 OUTCOMES

	R/W/M Combined		Reading		Writing		Maths		GPS	
	<i>Expected Standard</i>	<i>Higher standard</i>								
BLA	62%	6%	70%	18%	68%	6%	73%	16%	70%	25%
SRA	68%	7%	70%	16%	70%	11%	68%	16%	75%	30%
OHD	65%	8%	72%	18%	70%	8%	70%	13%	72%	20%
National FFT	60	12	77		71	17	74	24		

OFSTED Inspections

All three academies had Section 5 inspections in the academic year 2018-2019 and therefore not due to be re-inspected.

Attendance Data

Briscoe Lane Academy	With X code 88.3% (without X code 95.6%)
Seymour Road Academy	With X code 89.8% (without X code 95.8%)
Old Hall Drive Academy	With X code 89.9% (without X code 96.3%)

Permanent exclusions

The Trust is committed to an inclusive environment for all and thereby permanent exclusions would only be in exceptional circumstances. The Trust had no permanent exclusions in the year 2020/21.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

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

COVID- 19 RESPONSE

During lockdown Seymour Road Academy stayed open as a hub to cater for the Key Worker families and vulnerable children. A full team of family workers continued to ensure the safety of our families by doing weekly and in some cases doorstep visits to ensure safeguarding was maintained to a high standard. We have written a bespoke recovery programme for the children across the Trust to ensure a smooth transition back into school.

Financially the Trust had no impact from any loss of income. We continued with the internal audit remotely. In addition to this PPN was adhered to and our suppliers were supported through prompt payments.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

a. Financial Review

For the financial period ending 31st August 2021, financial performance has been analysed.

All schools within the Trust finished the year in a healthy financial position that exceeded budget expectations due to school closures as part of the COVID -19 response.

The main source of income for the Trust is revenue grant funding for individual academies. Funding is based largely on pupil numbers, and the key risk moving forward is a reduction in the number of pupils at schools within the Trust. It should be noted that the age demographic in East Manchester is likely to result in sustained pupil numbers in the two primaries in the short to medium term. The third academy is on a rolling programme to become a 3 form entry by 2021.

Expenditure across the Trust is typical for the education sector with the main area of expenditure being staff cost. The Trust had a large expenditure on supply costs due to staff absence and catch up programmes. Some supply costs were also strategic as only short term cover was required as opposed to impacting on future budgets.

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

Financial and Risk Management Objectives and Policies

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

b. Reserves policy

The level of reserves held at 31st August 2021 total £2,013,888 (excluding the fixed asset and pension liability reserves.)

Wise Owl Trust is committed to ensuring that the reserves that each academy holds gives a buffer to safeguard against unplanned events including uncertainty over future funding whilst ensuring that the majority of the income received is spent to meet the needs of the pupils of today to maximize their learning opportunities, to improve attainment and to provide educational environments that are stimulating and fit for purpose. The Trust recognises that these are aspirational reserves and will monitor each individual academy's reserves annually as part of the budget planning process. An individual academy may choose to build up higher reserves over a longer period of time in order to facilitate a larger project e.g. major refurbishment project or to safeguard over future uncertainties.

The deficit on the Local Government Pension Scheme (at 31 August 2021) does not mean that an immediate liability crystallises. The deficit results in a cash flow effect for the Academy Trust in the form of possible future increases in pension contributions which, if required, will be met from the budgeted annual income. There is therefore considered to be no material impact on free reserves of the Academy Trust because of recognising the deficit.

c. Principal risks and uncertainties

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

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

Key controls in place are:

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

The Trust's employees are members of two defined benefit pension schemes, the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). The Trust has recognised its share of the LGPS assets and liabilities in accordance with Financial Reporting Standard 102 Section 28. A deficit has been recognised at 31 August 2021. The TPS has been accounted for as a defined contribution scheme. Further details of the accounting policy adopted for each scheme are included in note 1 to the financial statements.

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

d. Investment Policy

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

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

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

Fundraising

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

Plans for future periods

The Trust plans include:

- To provide a structure for continuous improvement and achievement at all key stages and the results to demonstrate year on year improvements. With post COVID focus to be on the improvement of reading across all age groups
- To continue to develop the wellbeing on offer for our pupils and expand even further to support staff and families
- To continue to strengthen the Trust board with educational expertise
- To seek opportunities for growth which may involve growing deeper into the local community by placing the academies as civic institutions
- To deploy resources to move make rapid progress with the Trust's 'Building Forward Together' plan which supports families and focusses on improving school readiness
- To review the capital spend across the Trust to ensure high quality learning spaces for all
- To identify professional development opportunities through the apprenticeship levy to upskill the existing workforce and make effective use of levy contributions
- To explore 'pooling' for GAG funding
- To continue to develop the central services offer

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Auditor

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on *7th December 2021* and signed on its behalf by:

J. Battle

Mr J Battle

WISE OWL TRUST
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GOVERNANCE STATEMENT

Scope of Responsibility

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

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

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

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GOVERNANCE STATEMENT (CONTINUED)

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 4 times during the year.

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

Trustee	Meetings attended	Out of a possible
Mr G Larder	1	2
Mr J Battle, Chair	4	4
Mrs V Tempest (ex officio)	1	2
Mr J Corcoran (ex officio)	3	4
Mrs E Foster, Vice Chair	3	4
Mr K Innes	2	3
Miss S Wilkinson	1	2
Mr R Fayette	1	3
Ms H Fisher	2	2
Mr M Iqbal	1	1
Miss S Sturgeon	1	1

In order to ensure greater rigour the Trust have undertaken a comprehensive internal audit programme through an external provider which focused on Covid 19 (Real time assurance and emerging risks); audit arrangements; internal control; governance budget planning; monitoring and reporting; purchasing; income payroll and personnel management; cash control; risk management; premises management and health and safety; assets and pupil premium. The Trust is responsible for all strategic financial related issues.

All trustees receive monthly reports via Trust Governor website relating to the financial position and, from time to time, are provided with other relevant reports relating to matters at the School which has continued to prove to be an effective way in which to keep Trustees informed between meetings, although it has been necessary previously for the board to hold meetings outside of its prescribed schedule.

An Audit, Finance and Risk committee has been put in place from September 2019. They meet at least 3 times a year

The Finance, Risk and Audit Committee is also a sub-committee of the main board of Trustees. Its purpose is to focus on Covid 19 (Real time assurance and emerging risks); audit arrangements; internal control; governance budget planning; monitoring and reporting; purchasing; income payroll and personnel management; cash control; risk management; premises management and health and safety; assets and pupil premium. The Trust is responsible for all strategic financial related issues.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
H. Fisher (Chair)	2	2
J Corcoran	3	3
J Battle	1	1
E Foster	2	3
V Tempest	1	1
K Innes	2	3
M Iqbal	0	1
G Larder	0	1
B Adshead	1	2
L McLaughlin	1	2

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

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Review of value for money

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

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

- The Trust has had further successful CIF grants for two central heating projects and one roofing project for 2020/21
- The Trust has produced detailed financial analysis of how pupil premium funding was spent and its impact on outcomes
- Collaboration across the three academies with regard to sharing good and outstanding practice is an effective and efficient use of staffing resources
- The Trust has secured reduced costs for some SLAs and services through combined purchasing across the Trust and this continues to be a key focus moving forward to ensure value for money
- CPD is coordinated centrally to ensure that we achieve economies of scale and that new initiatives/ideas from training courses are cascaded down across the Trust schools.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Wise Owl Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial

WISE OWL TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

performance against the forecasts and of major purchase plans, capital works and expenditure programmes

- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks, delegation of authority and segregation of duties

The Board of Trustees has decided to employ Redramber Ltd as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included the operation of the systems of control and on the discharge of the board of trustees, ' financial responsibilities

On termly basis, the internal auditor reports to the board of Trustees through the board of Trustees on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities. There have been no material control issues arising from the internal audit and recommendations have been implemented where practicable to further strengthen the Trust's financial systems and procedures.

Review of effectiveness

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

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

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

Approved by order of the members of the Board of Trustees on their behalf by:

7th DECEMBER 2021

and signed on

Mr J Battle
Chair of Trustees



Mrs S Murfin
Accounting Officer



WISE OWL TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the academy board of Trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2020.

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.



Mrs S Murfin

Accounting Officer

Date: 7th DECEMBER 2021

WISE OWL TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 7th December 2021
and signed on its behalf by:

Mr J Battle



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

Opinion

We have audited the financial statements of Wise Owl Trust (the 'academy') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WISE
OWL TRUST (CONTINUED)**

Responsibilities of trustees

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The key laws and regulations we considered in this context were General Data Protection Regulation, health and safety legislation and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and completeness of income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the ESFA, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WISE
OWL TRUST (CONTINUED)**

Use of our report

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

Vicky Szulist

Vicky Szulist (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

3rd floor

The Lexicon

Mount Street

Manchester

M2 5NT

Date: 16th December 2021

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

In accordance with the terms of our engagement letter dated 2nd October 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Wise Owl Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Wise Owl Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Wise Owl Trust's funding agreement with the Secretary of State for Education dated 21 May 2012 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the Academy and specific transactions identified from our review.

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Crowe UK LLP

Reporting Accountant
Crowe U.K. LLP

Statutory Auditor

Date: 16th December 2021

WISE OWL TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	-	-	1,397,182	1,397,182	491,588
Investments	5	2,138	-	-	2,138	2,576
Charitable activities	4	128,947	9,139,370	-	9,268,317	8,804,887
Total income		131,085	9,139,370	1,397,182	10,667,637	9,299,051
Expenditure on:						
Charitable activities	6	-	9,413,154	423,485	9,836,639	9,621,091
Total expenditure		-	9,413,154	423,485	9,836,639	9,621,091
Net income/(expenditure)		131,085	(273,784)	973,697	830,998	(322,040)
Transfers between funds	17	(46,798)	(104,907)	151,705	-	-
Net movement in funds before other recognised gains/(losses)		84,287	(378,691)	1,125,402	830,998	(322,040)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(1,137,000)	-	(1,137,000)	(89,000)
Net movement in funds		84,287	(1,515,691)	1,125,402	(306,002)	(411,040)
Reconciliation of funds:						
Total funds brought forward		60,803	(1,974,511)	12,547,321	10,633,613	11,044,653
Net movement in funds		84,287	(1,515,691)	1,125,402	(306,002)	(411,040)
Total funds carried forward		145,090	(3,490,202)	13,672,723	10,327,611	10,633,613

The Statement of Financial Activities includes all gains and losses recognised in the year.

WISE OWL TRUST
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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

The notes on pages 34 to 65 form part of these financial statements.

WISE OWL TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 8053288

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	13,465,065	12,487,765
		13,465,065	12,487,765
Current assets			
Debtors	14	564,654	238,847
Cash at bank and in hand		2,256,259	2,054,153
		2,820,913	2,293,000
Creditors: amounts falling due within one year	15	(543,895)	(450,569)
Net current assets		2,277,018	1,842,431
Total assets less current liabilities		15,742,083	14,330,196
Creditors: amounts falling due after more than one year	16	(55,472)	(42,583)
Net assets excluding pension liability		15,686,611	14,287,613
Defined benefit pension scheme liability	24	(5,359,000)	(3,654,000)
Total net assets		10,327,611	10,633,613
Funds of the academy			
Restricted funds:			
Fixed asset funds	17	13,672,723	12,547,321
Restricted income funds	17	1,868,798	1,679,489
		15,541,521	14,226,810
Restricted funds excluding pension asset	17	15,541,521	14,226,810
Pension reserve	17	(5,359,000)	(3,654,000)
Total restricted funds	17	10,182,521	10,572,810
Unrestricted income funds	17	145,090	60,803
Total funds		10,327,611	10,633,613

The financial statements on pages 29 to 65 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:

WISE OWL TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 8053288

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021


.....
Mr J Battle

The notes on pages 34 to 65 form part of these financial statements.

WISE OWL TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	19	560,422	616,614
Cash flows from investing activities	21	(350,114)	(264,311)
Cash flows from financing activities	20	(8,202)	(6,211)
Cash and cash equivalents at the beginning of the year		2,054,153	1,708,061
Cash and cash equivalents at the end of the year	22, 23	<u>2,256,259</u>	<u>2,054,153</u>

The notes on pages 34 to 65 form part of these financial statements

WISE OWL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

The trustees have set an aspirational reserves policy which outlines the Trust's expectations with regards to the building up of adequate reserves within individual academies which is reviewed annually. All of the academies within the Trust have healthy reserves.

During lockdown Seymour Road Academy stayed open as a hub to cater for the Key Worker families and vulnerable children. A full team of family workers continued to ensure the safety of our families by doing weekly and in some cases doorstep visits to ensure safeguarding was maintained to a high standard. We have written a bespoke recovery programme for the children across the Trust to ensure a smooth transition back into school.

Financially the Trust had no impact from any loss of income. We continued with the internal audit remotely. In addition to this PPN was adhered to and our suppliers were supported through prompt payments.

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

WISE OWL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Sponsorship income**

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

• **Donations**

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

• **Other income**

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

1.4 Expenditure

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

WISE OWL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.4 Expenditure (continued)

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Taxation

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

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

1.6 Tangible fixed assets

Assets costing £5000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

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

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.7 Debtors

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

1.8 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.

1.9 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risk specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

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**NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.11 Pensions

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

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

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

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

1.12 Fund accounting

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 August 2017 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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3. Income from donations and capital grants

	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	117,098	117,098
Capital grants	1,280,084	1,280,084
Total 2021	<u>1,397,182</u>	<u>1,397,182</u>
	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Capital grants	491,588	491,588

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**NOTES TO THE FINANCIAL STATEMENTS
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4. Funding for the academy's funding for educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants			
Other DfE/ESFA grants			
General Annual Grant (GAG)	-	6,649,427	6,649,427
Music Grant	-	10,616	10,616
Early Years Funding Grant	-	432,508	432,508
Other Government Grants	-	679,964	679,964
	-	7,772,515	7,772,515
Other Government grants			
SEN Income	-	209,722	209,722
Pupil Premium	-	1,048,333	1,048,333
	-	1,258,055	1,258,055
Other income from the academy's funding for educational operations	128,947	-	128,947
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	108,800	108,800
	-	108,800	108,800
	128,947	9,139,370	9,268,317

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**NOTES TO THE FINANCIAL STATEMENTS
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4. Funding for the academy's funding for educational operations (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
DfE/ESFA grants			
Other DfE/ESFA grants			
General Annual Grant (GAG)	-	6,358,090	6,358,090
Music Grant	-	12,193	12,193
Early Years Funding Grant	-	490,499	490,499
Other Government Grants	-	557,122	557,122
	<hr/>	<hr/>	<hr/>
	-	7,417,904	7,417,904
Other Government grants			
SEN Income	-	221,680	221,680
Pupil Premium	-	1,037,241	1,037,241
	<hr/>	<hr/>	<hr/>
	-	1,258,921	1,258,921
Other income from the academy's funding for educational operations	128,062	-	128,062
	<hr/>	<hr/>	<hr/>
	128,062	8,676,825	8,804,887
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The Trust received £108,800 of funding for catch-up premium which was all spent in the year.

5. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Investment income	2,138	2,138
	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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5. Investment income (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Investment income	<u>2,576</u>	<u>2,576</u>

6. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Funding for educational operations:				
Direct costs	4,378,906	-	794,010	5,172,916
Allocated support costs	2,980,505	881,022	802,196	4,663,723
Total 2021	<u>7,359,411</u>	<u>881,022</u>	<u>1,596,206</u>	<u>9,836,639</u>

	<i>Staff Costs 2020 £</i>	<i>Premises 2020 £</i>	<i>Other 2020 £</i>	<i>Total 2020 £</i>
Funding for educational operations:				
Direct costs	3,862,052	-	1,108,583	4,970,635
Allocated support costs	2,929,327	865,387	855,742	4,650,456
<i>Total 2020</i>	<u>6,791,379</u>	<u>865,387</u>	<u>1,964,325</u>	<u>9,621,091</u>

7. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Funding for educational operations	<u>5,172,916</u>	<u>4,663,723</u>	<u>9,836,639</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Analysis of expenditure by activities (continued)

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Funding for educational operations	<u>4,970,635</u>	<u>4,650,456</u>	<u>9,621,091</u>

Analysis of direct costs

	Total funds 2021 £
Staff costs	4,335,466
Educational supplies	477,259
Staff development	55,529
Other direct costs	304,662
Total 2021	<u><u>5,172,916</u></u>

	<i>Total funds 2020 £</i>
Staff costs	3,862,052
Educational supplies	906,437
Staff development	37,124
Other direct costs	165,022
	<u><u>4,970,635</u></u>

Analysis of support costs

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NOTES TO THE FINANCIAL STATEMENTS
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7. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Total funds 2021 £
Staff costs	3,023,945
Depreciation	394,994
School uniform fees	13,127
Maintenance of premises and equipment	166,143
Cleaning	51,173
Light and heat	94,112
Rent and rates	162,110
Insurance	61,652
Telephone and admin stationery	62,956
Catering	392,060
IT support costs	89,215
Legal and professional	127,948
Governance costs	24,288
Total 2021	4,663,723

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Total funds 2020 £</i>
Staff costs	2,929,327
Depreciation	374,707
School uniform fees	14,672
Maintenance of premises and equipment	239,217
Cleaning	35,763
Light and heat	88,851
Rent and rates	126,658
Insurance	85,465
Telephone and admin stationery	49,559
Catering	403,578
IT support costs	187,920
Legal and professional	89,089
Governance costs	25,650
<i>Total 2020</i>	<i>4,650,456</i>

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Depreciation of tangible fixed assets: Owned by the charity	394,994	374,707
Auditor's remuneration - audit	13,390	13,000
Auditor's remuneration - other services	5,150	5,000
Governance Internal audit costs	-	5,000
Operating lease expenditure		
- Other	-	25,000
	-	25,000

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	5,044,745	4,777,935
Social security costs	456,612	416,713
Pension costs	1,533,460	1,411,052
	<u>7,034,817</u>	<u>6,605,700</u>
Agency staff costs	324,594	185,679
	<u>7,359,411</u>	<u>6,791,379</u>

b. Non-statutory/non-contractual staff severance payments

During the year a settlement agreement of £1,609 was paid to a former employee.

c. Staff numbers

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

	2021 No.	2020 No.
Teachers	90	83
Educational support	72	71
Clerical and administration	14	15
Premises	19	21
Lunchtime supervision	32	33
Catering	-	5
	<u>227</u>	<u>228</u>

d. Higher paid staff

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

9. Staff (continued)

d. Higher paid staff (continued)

	2021	<i>2020</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	3	3
In the band £100,001 - £110,000	-	1
In the band £130,001 - £140,000	1	1
	1	<i>1</i>

e. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £578,154 (2020 £602,931).

10. Central services

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

- Centralised WOT staff - CEO, Trust Finance Director, Trust Inclusion Lead and Trust Premises Lead
- HR Support
- School Improvement
- Professional services including Educational Psychology
- Apprenticeship Levy

The academy charges for these services on the following basis:

The charges for these services was 8% overall (4.3% in relation to central staffing costs) of GAG and EYFF funding apportioned on pupil numbers in each academy.

The actual amounts charged during the year were as follows:

	2021	<i>2020</i>
	£	<i>£</i>
Briscoe Lane Academy	232,885	217,363
Old Hall Drive Acedemy	167,941	164,000
Seymour Road Academy	170,376	164,538
Total	571,202	<i>545,901</i>

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits. In the prior period, one or more Trustees was paid remuneration or received other benefits from an employment with the academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2021	2020
		£	£
Chris O'Shaughnessy	Remuneration		100,000 - 105,000

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

12. Trustees' and Officers' insurance

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

13. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Total £
Cost or valuation			
At 1 September 2020	13,679,529	577,142	14,256,671
Additions	1,217,823	154,471	1,372,294
At 31 August 2021	14,897,352	731,613	15,628,965
Depreciation			
At 1 September 2020	1,427,917	340,989	1,768,906
Charge for the year	270,245	124,749	394,994
At 31 August 2021	1,698,162	465,738	2,163,900

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13. Tangible fixed assets (continued)

	Freehold property £	Furniture and equipment £	Total £
Net book value			
At 31 August 2021	<u>13,199,190</u>	<u>265,875</u>	<u>13,465,065</u>
At 31 August 2020	<u>12,251,612</u>	<u>236,153</u>	<u>12,487,765</u>

14. Debtors

	2021 £	2020 £
Due within one year		
Other debtors	135,224	55,560
Prepayments and accrued income	429,430	183,287
	<u>564,654</u>	<u>238,847</u>

15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other loans	8,202	5,470
Trade creditors	34,033	172,027
Accruals and deferred income	501,660	273,072
	<u>543,895</u>	<u>450,569</u>

Five Salix loans are due to be repaid semi-annually over the next 8 years. No interest is charged on the capital element of these loans.

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

	2021 £	2020 £

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16. Creditors: Amounts falling due after more than one year (continued)

	2021 £	2020 £
Other loans	<u>55,472</u>	<u>42,583</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

17. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds - all funds	60,803	131,085	-	(46,798)	-	145,090
Restricted general funds						
General Annual Grant (GAG)	537,489	6,649,427	(6,355,211)	-	-	831,705
Pupil Premium	-	1,048,333	(1,048,333)	-	-	-
Early Years Funding	-	432,508	(432,508)	-	-	-
Music Grant	-	10,616	(10,616)	-	-	-
SEN Funding	-	209,722	(209,722)	-	-	-
Other government grants	-	679,964	(679,964)	-	-	-
School improvement fund	1,142,000	-	-	(104,907)	-	1,037,093
COVID 19 Catch Up Premium	-	108,800	(108,800)	-	-	-
Pension reserve	(3,654,000)	-	(568,000)	-	(1,137,000)	(5,359,000)
	<u>(1,974,511)</u>	<u>9,139,370</u>	<u>(9,413,154)</u>	<u>(104,907)</u>	<u>(1,137,000)</u>	<u>(3,490,202)</u>
Restricted fixed asset funds						
Transfer of land and buildings	12,487,771	-	(371,575)	1,255,134	-	13,371,330
Capital Maintenance Fund	59,550	1,251,594	-	(1,103,429)	-	207,715
Devolved Formula Capital	-	28,490	(28,490)	-	-	-
Donated assets	-	117,098	(23,420)	-	-	93,678

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
	12,547,321	1,397,182	(423,485)	151,705	-	13,672,723
Total Restricted funds	10,572,810	10,536,552	(9,836,639)	46,798	(1,137,000)	10,182,521
Total funds	10,633,613	10,667,637	(9,836,639)	-	(1,137,000)	10,327,611

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

Restricted Funds

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

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

School improvement fund

The Trust have designated £1,142,000 as a school improvement fund for the various upcoming projects across the Trust including dining room expansion at Briscoe Lane Academy and additional modular buildings to create learning spaces at Old Hall Drive and Seymour Road Academy.

Restricted fixed asset funds

The transfer of land and buildings represents the value of the land and buildings transferred freehold to the Academy upon conversion, less depreciation.

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

Unrestricted funds

Unrestricted funds are those other resources which may be used to further the objectives of the Academy.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

17. Statement of funds (continued)

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

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds						
General Funds	184,240	130,638	(254,075)	-	-	60,803
Restricted general funds						
General Annual Grant (GAG)	76,422	6,358,090	(5,897,023)	-	-	537,489
Pupil Premium	-	1,037,241	(1,037,241)	-	-	-
Early Years Funding	-	477,008	(477,008)	-	-	-
Music Grant	-	8,481	(8,481)	-	-	-
SEN Funding	-	221,680	(221,680)	-	-	-
Other government grants	-	562,988	(562,988)	-	-	-
Other school income	-	11,337	(11,337)	-	-	-
School improvement fund	1,142,000	-	-	-	-	1,142,000
Pension reserve	(3,029,000)	-	(536,000)	-	(89,000)	(3,654,000)
	<u>(1,810,578)</u>	<u>8,676,825</u>	<u>(8,751,758)</u>	<u>-</u>	<u>(89,000)</u>	<u>(1,974,511)</u>
Restricted fixed asset funds						
Transfer of land and buildings	12,103,995	-	(374,707)	758,483	-	12,487,771
Capital Maintenance Fund	566,996	491,588	(240,551)	(758,483)	-	59,550
	<u>12,670,991</u>	<u>491,588</u>	<u>(615,258)</u>	<u>-</u>	<u>-</u>	<u>12,547,321</u>

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17. Statement of funds (continued)

	<i>Balance at 1 September 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2020</i>
	£	£	£	£	£	£
Total Restricted funds	10,860,413	9,168,413	(9,367,016)	-	(89,000)	10,572,810
Total funds	11,044,653	9,299,051	(9,621,091)	-	(89,000)	10,633,613

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021	2020
	£	£
Briscoe Lane Academy	908,241	676,888
Seymour Road Academy	711,153	694,146
Old Hall Drive Academy	322,985	343,915
Wise Owl Trust	71,509	25,343
Total before fixed asset funds and pension reserve	2,013,888	1,740,292
Restricted fixed asset fund	13,672,723	12,547,321
Pension reserve	(5,359,000)	(3,654,000)
Total	10,327,611	10,633,613

Total cost analysis by academy

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2021
	£	£	£	£	£
Briscoe Lane Academy	1,627,971	1,036,517	244,651	496,465	3,405,604
Seymour Road Academy	1,196,938	830,054	81,799	488,164	2,596,955
Old Hall Drive Academy	1,285,536	927,034	104,611	350,250	2,667,431

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17. Statement of funds (continued)

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £
Academy	4,110,445	2,793,605	431,061	1,334,879	8,669,990

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

	<i>Teaching and educational support staff costs £</i>	<i>Other support staff costs £</i>	<i>Educational supplies £</i>	<i>Other costs excluding depreciation £</i>	<i>Total 2020 £</i>
Briscoe Lane Academy	1,522,234	933,023	185,462	547,114	3,187,833
Seymour Road Academy	1,060,259	662,268	112,017	419,687	2,254,231
Old Hall Drive Academy	1,198,104	764,244	128,667	320,973	2,411,988
Academy	3,780,597	2,359,535	426,146	1,287,774	7,854,052

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	13,465,065	13,465,065
Current assets	145,090	2,468,165	207,658	2,820,913
Creditors due within one year	-	(599,367)	-	(599,367)
Provisions for liabilities and charges	-	(5,359,000)	-	(5,359,000)
Total	<u>145,090</u>	<u>(3,490,202)</u>	<u>13,672,723</u>	<u>10,327,611</u>

Analysis of net assets between funds - prior year

	<i>Unrestricted</i> <i>funds</i> 2020 £	<i>Restricted</i> <i>funds</i> 2020 £	<i>Restricted</i> <i>fixed asset</i> <i>funds</i> 2020 £	<i>Total</i> <i>funds</i> 2020 £
Tangible fixed assets	-	-	12,487,765	12,487,765
Current assets	61,080	2,172,364	59,556	2,293,000
Creditors due within one year	(277)	(450,292)	-	(450,569)
Creditors due in more than one year	-	(42,583)	-	(42,583)
Provisions for liabilities and charges	-	(3,654,000)	-	(3,654,000)
Total	<u>60,803</u>	<u>(1,974,511)</u>	<u>12,547,321</u>	<u>10,633,613</u>

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

	2021 £	2020 £
Net income/(expenditure) for the year (as per Statement of financial activities)	830,998	(322,040)
Adjustments for:		
Depreciation charges	394,994	374,707
Dividends, interest and rents from investments	(2,138)	(2,576)
(Decrease)/Increase in Creditors	114,417	227,607
Decrease/(increase) in debtors	(325,807)	294,504
Capital grants from DfE	(1,020,042)	(491,588)
Defined benefit pension scheme obligation inherited	568,000	536,000
Net cash provided by operating activities	560,422	616,614

20. Cash flows from financing activities

	2021 £	2020 £
Repayments of borrowings	(8,202)	(6,211)
Net cash used in financing activities	(8,202)	(6,211)

21. Cash flows from investing activities

	2021 £	2020 £
Interest	2,138	2,576
Purchase of tangible fixed assets	(1,372,294)	(758,475)
Capital grants from DfE Group	1,020,042	491,588
Net cash used in investing activities	(350,114)	(264,311)

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22. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank	2,256,259	2,054,153
Total cash and cash equivalents	2,256,259	2,054,153

23. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	2,054,153	202,106	2,256,259
Debt due within 1 year	(5,470)	(2,732)	(8,202)
Debt due after 1 year	(42,583)	(12,889)	(55,472)
	2,006,100	186,485	2,192,585

24. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

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

Teachers' Pension Scheme

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

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

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24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £682,000 (2020 - £617,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £462,000 (2020 - £426,000), of which employer's contributions totalled £350,000 (2020 - £325,000) and employees' contributions totalled £ 112,000 (2020 - £101,000). The agreed contribution rates for future years are 18.5% per cent for employers and 5.5-12.5% per cent for employees.

As described in note the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

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.

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24. Pension commitments (continued)

Principal actuarial assumptions

Greater Manchester Pension Fund

	2021	<i>2020</i>
	%	%
Discount rate for scheme liabilities	1.65	1.7
Rate of increase in salaries	3.65	3.0
Rate of increase for pensions in payment/inflation	2.9	2.2
Inflation assumption (CPI)	2.9	2.2
Commutation of pensions to lump sums	55	55

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

	2021	<i>2020</i>
	Years	Years
<i>Retiring today</i>		
Males	20.5	20.5
Females	23.3	23.1
<i>Retiring in 20 years</i>		
Males	21.9	22
Females	25.3	25

Sensitivity analysis

	2021	<i>2020</i>
	£000	£000
Discount rate +0.1%	-	245
Discount rate -0.1%	321	-
Mortality assumption - 1 year increase	471	-
CPI rate +0.1%	295	223
Salary increase +0.1%	21	-

Share of scheme assets

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24. Pension commitments (continued)

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

	2021 £	2020 £
Equities	4,552,520	3,378,240
Corporate bonds	961,800	794,880
Property	448,840	347,760
Cash and other liquid assets	448,840	447,120
Total market value of assets	6,412,000	4,968,000

The actual return on scheme assets was £937,000 (2020 - £(220,000)).

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

	2021 £	2020 £
Net interest cost	66,000	62,000
Current service cost	852,000	799,000
Total amount recognised in the Statement of Financial Activities	918,000	861,000

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

	2021 £	2020 £
At 1 September	8,622,000	7,738,000
Employee contributions	112,000	101,000
Actuarial losses/(gains)	2,074,000	(131,000)
Current service cost	852,000	799,000
Interest cost	154,000	155,000
Benefits paid	(43,000)	(40,000)
At 31 August	11,771,000	8,622,000

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24. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	4,968,000	4,709,000
Employee contributions	112,000	101,000
Contributions by employer	350,000	325,000
Interest income	88,000	93,000
Actuarial gains/(losses)	937,000	(220,000)
Benefits paid	(43,000)	(40,000)
At 31 August	6,412,000	4,968,000

25. Operating lease commitments

At 31 August 2021 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Within 1 year	5,560	15,320
Between 1 year and not later than 5 years	16,888	10,024
	22,448	25,344

26. Members' liability

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

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27. Related party transactions

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