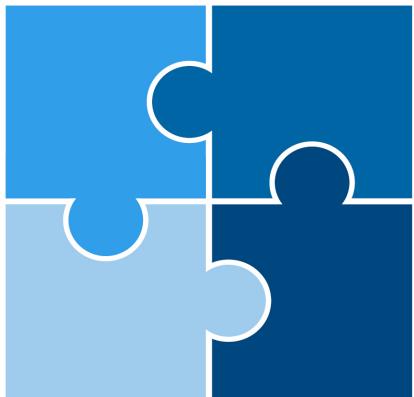


**SAPIENTIA EDUCATION TRUST**  
(A Company Limited by Guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2016**



**SAPIENTIA**  
EDUCATION TRUST

*Company Registration Number:  
07466353 (England and Wales)*

## **SAPIENTIA EDUCATION TRUST**

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## SAPIENTIA EDUCATION TRUST

### Reference and Administrative Details

#### Members

Mr P Rout  
Mrs D Ralphs  
The Viscountess S Knollys

#### Directors (Trustees):

Mr P Rout (Chairman) #  
Mr P Norton (Vice Chairman)  
Mr J Taylor (Principal and Accounting Officer) #  
Mr G Alston (resigned 1 March 2016)  
Mr S Angus # (resigned 1 October 2015)  
Mr W Anthony (resigned 15 December 2015)  
Mrs J Baines (resigned 15 December 2015)  
Mr I Baker #  
Mr N Cushion #  
Mr F Davey  
The Hon Mrs A de Bunsen (resigned 1 March 2016)  
Ms S Dineen  
Mr R Hill  
Mr N Lingwood (resigned 15 December 2015)  
Mr R Moorhouse (appointed 1 March 2016)  
Mrs D Ralphs (resigned 1 March 2016)  
Mr S Rigney (resigned 1 March 2016)  
Mr K Scott # (resigned 15 December 2015)  
Mrs A Thomas (resigned 1 March 2016)  
Mr A Underwood OBE  
Ms L Wayman

# = member of Audit and Risk Committee

#### The Visitor:

The Viscountess S Knollys (resigned 29 February 2016)

#### Honorary Governors:

Mr D Blake  
Mr D Hastings MBE  
Ms N Johnson  
Mrs K Woodhouse  
Mr J Symington

#### Senior Leadership Team

**Principal:** Mr J Taylor

**Company Secretary and Bursar:** Mr R Moorhouse MBE

**Vice Principal Curriculum and Operations:** Mr S Groves

**Vice Principal Sixth Form and Progression:** Mrs Z Fisher

**Vice Principal Learning and Teaching:** Miss K Bray

**Senior Vice Principal:** Mr J Chitty

**SAPIENTIA EDUCATION TRUST**

**Reference and Administrative Details (continued)**

<b>Principal and Registered Office:</b>	Wymondham College Golf Links Road Wymondham Norfolk NR18 9SZ
<b>Company Registration Number:</b>	07466353 (England and Wales)
<b>Independent Auditor:</b>	Lovewell Blake LLP Chartered Accountants and Statutory Auditor Bankside 300 Peachman Way Broadland Business Park Norwich NR7 0LB
<b>Bankers:</b>	NatWest Bank plc 5 Market Place Wymondham Norfolk NR18 0AG
<b>Solicitors:</b>	NP Law Limited 7 St. Andrews Street Blackburn Lancashire BB1 8AE

## **SAPIENTIA EDUCATION TRUST**

### **TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2016**

#### **Trustees' Report**

The Trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Sapientia Education Trust became a multi-academy trust during the period and was previously known as Wymondham College Academy Trust.

The Trust operates Wymondham College, a co-educational secondary boarding school in Wymondham, Norfolk.

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

##### **Constitution**

The Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association dated 1 February 2011 are the primary governing documents of the Trust. A deed of variation of the funding agreement was issued on 1 March 2016. The Trustees of Sapientia Education Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Sapientia Education Trust.

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

##### **Members' Liability**

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

##### **Trustees' Indemnities**

Subject to the provisions of the Companies Act, every Trustee or other officer or auditor of the Trust shall be indemnified out of the assets of the Trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default breach of duty or breach of trust in relation to affairs of the Trust.

## **SAPIENTIA EDUCATION TRUST**

### **TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2016**

#### **Structure, Governance and Management (continued)**

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

The number of Trustees shall be not less than three but shall not be subject to any maximum. The term of office for any Trustee shall be four years; this time limit shall not apply to the principal. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be reappointed or re-elected.

The members shall appoint Trustees save that no more than one third of the total number of individuals appointed as Trustees shall be employees of the Trust.

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

All Trustees, on appointment, receive a briefing from the Clerk to the Trustees and a set list of supporting documentation. The Trust subscribes to Norfolk County Council Governor Services and as such all Trustees are entitled to attend any of the Governor training courses provided by Norfolk County Council through their Governor Training and Development programme.

##### **Organisational Structure**

The Trust's organisational structure consists of four levels: the Members, Board of Trustees, the Local Governing Body and the Executive, who are the Principal and Senior Leadership Team. Below the Senior Management Team sits a number of other groups including the Heads of House and the Heads of Department meetings.

The Board of Trustees has retained an Audit and Risk Committee which oversees audit and risk matters for the Trust and reports to the Board of Trustees.

The Trustees have approved a scheme of financial delegation that allows budgetary responsibility to be delegated, through the Principal, to the lowest effective level.

The Local Governing Body is responsible for setting general policy, maintenance of standards approving and monitoring performance and delivery against the strategic plan. To do this effectively, the Local Governing Body meets at least twice per term and its meetings are themed around curriculum activities and boarding and pastoral matters. The Chairman of the Local Governing Body reports to the Board of Trustees.

The Senior Leadership Team control the College at an executive level, implement the policies approved by The Board of Trustees and Local Governing Body

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

The pay levels of senior staff are reviewed annually, reported to and approved by the Board. Any decisions about pay rises are based on a combination of national pay agreements, performance and inflation.

## **SAPIENTIA EDUCATION TRUST**

### **TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2016**

#### **Structure, Governance and Management (continued)**

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

Wymondham College Enterprises Limited is a fully owned subsidiary company of Wymondham College Academy Trust. The company's principal activity is the running of the College tuckshop. For the year ended 31 August 2016 the subsidiary company returned a net loss before taxation of £277. The subsidiary company is not consolidated within these accounts on the grounds of materiality.

#### **Objectives and Activities**

##### **Objects and Aims**

The principal object and activity of the Trust is to advance for public benefit the provision of education in the United Kingdom. In doing so it meets the requirements of the Funding Agreement signed by the Secretary of State for Education. It provides a balanced and broad curriculum and meets the requirements of the Schools Admissions Code in drawing up its own Admissions Policy.

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

The main objectives of the Trust for the year ended 31 August 2016 are summarised as follows:

- to provide a high quality and well-rounded education for all students;
- to provide value for money for the funds expended;
- to ensure that the College is suitably staffed;
- to comply with all statutory and curriculum requirements;
- to develop and maintain links with local industry and the wider community in Norfolk including working with other educational establishments; and
- to conduct the College's business in accordance with the highest standards of integrity, probity and openness.

The College's Mission statement is:

Wymondham College exists to enable young people to become happy, successful and useful citizens, to aim for excellence in all that they do and to find fulfilment in life.

The College's Strategic Plan 2014-2017 states that 'The ambition of the Wymondham College Strategic Plan is to transform Wymondham College from an outstanding secondary school to a truly exceptional one.' To achieve this, the plan sets out targets against the following areas:

- campus and facilities;
- curriculum;
- teaching and student support;
- staffing;
- extra-curricular activities;
- the College and the wider world; and
- operation and ethos.

## **SAPIENTIA EDUCATION TRUST**

### **TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2016**

#### **Objectives and Activities (continued)**

#### **Objectives, Strategies and Activities (continued)**

The plan is reviewed annually by Governors and the success in delivering many of the targets in the plan. A new plan will be in place for the start of the 2016-17 financial year. A summary of the achievements during the course of the year up until 31 August 2016 is outlined in achievements and performance below.

#### **Public Benefit**

The key public benefit delivered by the Trust is the maintenance and delivery of high quality day and boarding education to the children of Norfolk and others.

The Trustees confirm that they have had due regard to the Charity Commission's guidance on public benefit.

#### **Strategic Report**

#### **Achievements and performance**

In the year leading up to 31 August 2016 the following were achieved:

- Sapientia Education Trust was formed on 1 March 2016;
- agreement was sought and given for Old Buckenham Primary School to join the Trust with effect from 1 September 2016; and
- a new Local Governing Body was established at Wymondham College;

At Wymondham College:

- at A level, the overall pass rate (A-E) was 98.6% with 58.9% of students achieving passes at Grade A\*/B;
- at GCSE, 32.5% achieved passes at A\*/A. There were 89% of students who achieved five GCSE passes at Grades A\*-C including English and Maths;
- 42.9% of students achieved the EBACC qualification;
- the Board appointed a new Director of Quality & Assurance;
- the Board authorised the appointment of a further Counsellor post to work with the Well Being Manager in the delivery of well-being services to the College;
- the College completed a review of the Boarding staffing;
- the College carried out a review of Catering Staff Terms and Conditions and Salary review;
- additional members of staff have been recruited in HR and Estates to meet the requirements of the multi-academy trust;
- appointed four new apprentices;
- the College carried out further integration of the new Management Information System;
- delivered the first year's programme of boarding house improvements including a full refurbishment of New Hall and the provision of a flat extension to the Head of House flat in Cavell.

## **SAPIENTIA EDUCATION TRUST**

### **TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2016**

#### **Achievements and performance (continued)**

##### **Key Performance Indicators**

Wymondham College met its aims and objectives from the income received for the period. The effective management of cash flow and scheduling of capital expenditure meant that the College's cash balances were never exceeded by commitments. In particular:

- the College met the target carry-forward figure approved by the Governing Body in 2015;
- the planned programme of capital expenditure in the Forward Maintenance Register was delivered;
- the planned programme of expenditure contained within the Rate of return plan for boarding accommodation improvements was delivered;
- the planned major project work to deliver enhanced and safer parking provision at the south end of the College in accordance with the Estate masterplan was delivered on time and within budget; and
- the Trust budgeted for and met the requirements of the imposition of the National Living Wage for staff.

Examination results are covered in the Achievements and Performance section of this report.

##### **Going concern**

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

##### **Financial review**

Most of the Trust's income is obtained either from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes, or fee income for the provision of boarding. The grants received from EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2016, the Trust received income of £6,117,363 (2015: £6,048,912) in respect of General Annual Grant and other Government funding, £38,385 (2015: £95,813) in the form of EFA capital grants, £6,793,585 (2015: £6,462,482) fee income and £395,738 (2015: £233,288) other income, giving total income of £13,345,071 (2015: £12,840,495) for the period. Expenditure for the period amounted to £14,040,936 (2015: £13,303,908).

The Trust receives grants for fixed assets from EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charge over the expected useful life of the assets concerned.

At 31 August 2016 the net book value of fixed assets was £30,023,711 (2015: £30,592,358) and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

## **SAPIENTIA EDUCATION TRUST**

### **TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2016**

#### **Financial review (continued)**

##### **Reserves Policy**

The Trustees have reviewed reserve levels and believes that they should provide sufficient working capital to cover delays between spending and receipt of grants to allow for unexpected situations such as urgent maintenance work

The College held fund balances at 31 August 2016 of £23,890,702 (2014: £27,866,567) comprising a deficit of £6,697,972 (2015: £3,203,270) of restricted funds, surplus of £29,962,604 (2015: £30,556,379) of restricted fixed assets and surplus of £626,070 (2015: £513,458) of unrestricted general funds. The deficit in restricted funds has arisen primarily as a result of the deficit on the local government pension fund of £7,057,000 (2015: £3,485,000). Any increase in pension contributions suggested by the Scheme Actuary should be able to be met from the Trust's budgeted annual income.

As at 31 August 2016 the Trust had free reserves of £480,344 (2015: £431,245), in addition to this the Trust had GAG funding carried forward in restricted funds of £269,028 (2015: £281,730).

##### **Investment Policy**

With the exception of cash held for operation of the Trust, the Trust has no realisable investments as at 31 August 2016. The Trust seeks to maximise returns from its investments, minimise risk and maintain flexibility and access to funds. The level of investment will depend on resources available at the time the investment is considered and will take into account the current financial situation as well as consideration of the finances during the period the investment is being considered for. Equally the Audit and Risk Committee will take a view on prevailing national economic circumstances and the credit ratings of those who are offering investment opportunities. Finally, the period of the investment will be judged on the rates available and other Trust priorities at the time.

#### **Principal Risks and Uncertainties**

The Trustees have identified and reviewed the major risks to which the Trust is exposed, and have established systems and procedures to manage these risks.

The Audit and Risk Committee have identified the top two risks faced by Sapientia Education Trust as:

- the Trust grows too quickly or grows too slowly;
- key personnel are not adequately supported through capacity planning;

The Audit and Risk Committee have identified the top five risks faced by Wymondham College as:

- insufficient demand for boarding places;
- over-reliance on one form of income;
- risk that legislative requirements are not known or complied with;
- College receives unfavourable OfSTED report; and
- data protection risk.

These risks are monitored and discussed at meetings of the Audit and Risk Committee.

## **SAPIENTIA EDUCATION TRUST**

### **TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2016**

#### **Principal Risks and Uncertainties (continued)**

##### **Financial and Risk Management Objectives and Policies**

The Trustees have responsibility to assess the strategic risks to which the Trust is exposed and have completed a risk management register to ensure that steps are taken to mitigate risks.

This is done through the sub-committees and includes educational risks such as the Trust not achieving the planned educational outcomes and maintenance and improvement on previous examination results, whole or partial building loss, financial and operational risks, including budget risks and health and safety reviews and safeguarding students. In this way steps are taken to mitigate risk. Some significant risks such as public and employee liability are covered by the Trust's insurance policy. The Risk Register is managed through the Trustees' Audit and Risk Committee.

The Trustees are implementing a number of systems to assess risks that the Trust faces, especially in the strategic risks areas and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. The Trust has an effective system of internal financial controls and this is explained in more detail in this report.

#### **Plans for future periods**

For the coming financial year, the Trust plans to implement the following key objectives:

Sapientia Education Trust:

- establish Old Buckenham Primary School as an academy within the Trust;
- approve a Trust strategic plan; and
- submit a bid for a Primary Free School with a boarding element as part of the school.

Wymondham College:

- approve and deliver a new Strategic Plan;
- approve and deliver a new House System Development Plan;
- improve achievement levels at KS3, KS4 and sixth form;
- improve the quality of teaching and learning across the College;
- improve the quality of intervention across the College at all levels;
- deliver the wellbeing strategic plan;
- enhance and improve continual professional development opportunities at all levels across the College;
- continue to improve the boarding house facilities through implementation of the rate of return funding;
- continue to develop enrichment opportunities at the College; and
- market and promote the Wymondham College Trust and continue to improve and develop further partnership work with the Old Wymondhamians.

## **SAPIENTIA EDUCATION TRUST**

### **TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2016**

#### **Equal Opportunities Policy**

Sapientia Education Trust recognises its commitment to students, staff, parents/carers and Governors and to the wider community based on the principle of promotion of self-respect and respect for others. As such we believe that discrimination is unacceptable and our equal opportunities policy seeks to foster all individuals' abilities. In meeting the duties, all our actions will embody our Trust's key principles and values which include:

- we encourage young people to develop into good citizens to aim for excellence in all they attempt, to communicate effectively, work well in teams and to enjoy life;
- we strive to make the best possible provision for all students, staff, governors and those connected with the Trust regardless of disability, ethnicity, culture, religious belief, national origin or status, gender or sexual orientation;
- we respect diversity. We know that treating everyone equally is not simply a matter of treating everyone the same. We adopt the Norfolk Inclusion Statement's view that inclusion is 'The process of taking necessary steps to ensure that every young person is given an equality of opportunity to develop socially, to learn and enjoy community life'. This means we do our best to make reasonable adjustments for disability, recognise and celebrate cultural differences and understand the different needs and experiences of boys and girls;
- we know that equality is not simply about protecting the potentially vulnerable. We believe that all students may be disadvantaged by the holding of prejudicial views, and seek to promote good relationships between all groups, and positive attitudes towards disabled people, people from different ethnic or cultural groups or faith backgrounds and people of different gender or sexual orientation;
- we value our staff for their ability and potential to help us make the best possible provision for the students in the Trust regardless of disability, ethnicity, culture, religious belief, national origin, gender or sexual orientation;
- we are proactive in our efforts to identify and minimise existing barriers or inequalities;
- we seek the views of all groups affected by the policies and work of our Trust and involve them in policy review where appropriate; and
- we recognise our role in promoting community cohesion and actively encourage the participation in public life of all in the Trust.

#### **Disabled Persons**

Sapientia Education Trust recognises its responsibilities under the Disability Discrimination Act. The general duty to promote disability equality is owed to all disabled people which means that we have due regard to:

- promote equality of opportunity between disabled people and other people;
- eliminate unlawful discrimination;
- eliminate disability related harassment;
- promote positive attitudes towards disabled people;
- encourage participation by disabled people in public life; and
- take steps to take account of disabled people's disabilities, even where that involves treating disabled people more favourably than other people.

## **SAPIENTIA EDUCATION TRUST**

### **TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2016**

#### **Accessibility**

There is specific disability legislation in relation to disabled students and accessibility which means we plan strategically over time to:

- increase access to the curriculum;
- make improvements to the physical environment of the Schools within the Trust to increase access; and
- make written information available to students in a range of different ways.

We must ensure that disabled students do not receive less favourable treatment and to do this the Schools within the Trust have a duty to make reasonable adjustments.

Wymondham College has a Single Equality Scheme (SES) which integrates our statutory duties in relation to race, disability and gender and promoting community cohesion. The duties cover staff, students and people using the services of the College such as parents. It also addresses the legislation relating to religion or belief, sexual orientation and age and therefore includes our priorities and actions to eliminate discrimination and harassment in these equality areas.

The SES and Action plan enables the College to achieve a framework for action which covers all eight equality strands and ensures that we meet our public sector duty responsibilities in an inclusive way. We will continue to meet our statutory duties by reporting annually on the progress of the SES and action plan. This will be reviewed annually by the Local Governing Body, and will cover activity in relation to the eight equality strands and promoting community cohesion.

#### **Auditor**

Insofar as the Trustees are aware:

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

The appointment of the current auditor, Lovewell Blake LLP, is for a three-year period from 2015-2018.

The Trustees' Report, incorporating a Strategic Report, was approved by the Trustees, as the company directors, on \_\_\_\_\_ and signed on their behalf by:

**Peter Rout**  
Chairman of Board

## SAPIENTIA EDUCATION TRUST

### GOVERNANCE STATEMENT

#### Scope of responsibility

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

The Trustees have delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Sapientia Education Trust and the Secretary of State for Education. He is also responsible for reporting to the Trustees any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Full Governing Body formally met once and held two extraordinary meetings before the establishment of Sapientia Education Trust on 1 March 2016. Attendance during this period at full meetings of the Governing Body was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr P Rout (Chairman)	3	3
Mr P Norton (Vice-Chairman)	3	3
Mr J Taylor (Principal and Accounting Officer)	3	3
Mr G Alston	3	3
Mr S Angus	1	1
Miss J Baines	1	1
Mr I Baker (Responsible Officer)	2	3
Mr N Cushion	1	3
Mr F Davey	1	3
Mrs A de Bunsen	2	3
Mrs S Dinneen	2	3
Mr R Hill	1	3
Mr N Lingwood (Staff Governor)	1	1
Mrs D Ralphs	3	3
Mr S Rigney (Staff Governor)	1	3
Mr K Scott	0	0
Mrs A Thomas	2	3
Mr A Underwood	2	3
Ms L Wayman	3	3
Mr W Anthony	0	0

Mr S Angus resigned on 1 October 2015. Mr W Anthony, Mrs J Baines, Mr N Lingwood and Mr K Scott resigned on 15 December 2015. Mr G Alston, Mrs A de Bunsen, Mrs D Ralphs, Mr S Rigney and Mrs A Thomas resigned on 1 March 2016.

## SAPIENTIA EDUCATION TRUST

### GOVERNANCE STATEMENT (continued)

The Sapientia Education Trust Board was established on 1 March 2016. The Board held four meetings between 1 March 2016 and 31 August 2016 with attendance as follows

Trustee	Meetings attended	Out of a possible
Mr P Rout (Chairman)	3	4
Mr P Norton (Vice-Chairman)	4	4
Mr J Taylor (CEO and Accounting Officer)	4	4
Mr I Baker (Responsible Officer)	1	4
Mr N Cushion	2	4
Mr F Davey	4	4
Mrs S Dinnneen	0	4
Mr R Hill	3	4
Mrs D Ralphs (Member in attendance)	4	4
Lady Knollys (Member in attendance)	4	4
Mr R Moorhouse	4	4
Mr A Underwood	2	4
Ms L Wayman	3	4

Mr R Moorhouse was appointed on 1 March 2016.

Particular challenges that have arisen for the Multi-Academy Trust in the year are as follows:

- the College was again particularly disappointed to not have received Condition Improvement Funding for the classroom accommodation that has been needed at the College for the past three years. This has required the Governing Body to lease additional classroom space to be able to meet the demand for specialist teaching areas especially at sixth form.

The **Finance and Executive Committee** was a sub-committee of the main board of Governors. Its purpose was to advise the Governing Body on financial strategy and policy within the resources available.

The Finance and Executive Committee has formally met four times during the year. The Committee ceased to function after 3 March 2016.

Attendance in the meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr P Rout	3	4
Mr P Norton	4	4
Mr J Taylor	4	4
Mr G Alston	3	3
Mr F Davey	4	4
Mrs D Ralphs	4	4
Mr S Rigney	1	4
Mr A Underwood	1	4
Ms L Wayman	4	4

## SAPIENTIA EDUCATION TRUST

### GOVERNANCE STATEMENT (continued)

The **Audit and Risk Committee** is also a sub-committee of the main Board of Trustees. Its purpose is to review the College's internal and external financial statements to ensure they reflect best practice, and to review the effectiveness of the College's internal control systems established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner.

Attendance at meetings in the year was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr P Rout	3	3
Mr J Taylor	3	3
Mr S Angus	0	1
Mr I Baker (Chairman)	3	3
Mr K Scott	1	2
Mr N Cushion	3	3
Mr W Anthony	1	1

### Wymondham College Local Governing Body

The **Local Governing Body of Wymondham College** was established on 1 March 2016 and has met twice during the year. Attendance at meetings in the year was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr P Rout	2	2
Mr J Taylor	2	2
Mrs A Trigg	1	2
Mr P Norton	2	2
Mr S Rigney	2	2
Mrs A Thomas	2	2
Mr A Underwood	1	2
Ms L Wayman	2	2

### Review of Value for Money

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

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

- ensuring that three quotations are sought for high value orders in accordance with the College Financial Rules and procedures;
- replacement of catering equipment with more energy efficient equipment and significant upgrading of Lincoln kitchen to mitigate future upgrade work in the future;
- reviewed boarding staffing structures within the College across a number of support and teaching areas; and
- taken the grounds maintenance operation in-house to deliver better value for money and quality of operation.

## **SAPIENTIA EDUCATION TRUST**

### **GOVERNANCE STATEMENT (continued)**

#### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Sapientia Education Trust for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

The Trust Board has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board.

#### **The Risk and Control Framework**

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

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

The Board has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Board have appointed Mr I Baker, a Trustee, to carry out a programme of internal checks. The internal reviewer's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of income systems
- testing of control account/bank reconciliations.

On a quarterly basis, the reviewer reports to the Board, through the audit and risk committee on the operation of the systems of control and on the discharge of the Board's financial responsibilities.

## **SAPIENTIA EDUCATION TRUST**

### **GOVERNANCE STATEMENT (continued)**

#### **Review of Effectiveness**

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

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

Approved by order of members of the Governing Body on \_\_\_\_\_ and signed on its behalf by:

**Peter Rout**  
Chairman of Board

**Jonathan Taylor**  
Accounting Officer

## **SAPIENTIA EDUCATION TRUST**

### **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Sapientia Education Trust I have considered my responsibility to notify the College Governing Body and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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 EFA.

**Jonathan Taylor**  
Accounting Officer

## **SAPIENTIA EDUCATION TRUST**

### **STATEMENT OF GOVERNORS' RESPONSIBILITIES**

The Trustees (who act as Trustees for charitable purposes of Sapientia Education Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report (including Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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 in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and 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; and
- 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 EFA/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 Governing Body on \_\_\_\_\_ and signed on its behalf by:

**Peter Rout**  
Chairman of Board

## **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SAPIENTIA EDUCATION TRUST**

We have audited the financial statements of Sapientia Education Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

### **Respective responsibilities of governors and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 18, the Trustees (who are also the directors of the Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2016, 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 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report for the period for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

MARK PROCTOR FCA DChA (Senior Statutory Auditor)  
For and on behalf of LOVEWELL BLAKE LLP, Statutory Auditor

Bankside 300  
Peachman Way  
Broadland Business Park  
Norwich  
NR7 0LB

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SAPIENTIA EDUCATION TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 9 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sapientia Education Trust during the period 1 September 2015 to 31 August 2016 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 Sapientia Education Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Sapientia Education Trust and EFA 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 Sapientia Education Trust and EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Sapientia Education Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Sapientia Education Trust's funding agreement with the Secretary of State for Education dated 1 February 2011 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. 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 period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. 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 College's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Review of minutes of the various committees and sub-committees, management accounts and discussions with key personnel;
- Evaluation of the implementation of the internal control procedures, and detailed review of the control environment for any changes or weaknesses;

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SAPIENTIA  
EDUCATION TRUST AND THE EDUCATION FUNDING AGENCY**  
**(continued)**

- Review of expense claims and credit card expenditure, to ensure it adheres to internal control procedures and is not for personal benefit;
- Review of financial transactions for any unusual transactions which may be improper;
- Ensuring that all the activities of the Trust are in keeping with the Trust's framework and charitable objectives;
- Ensuring that key staff and Governors have declared their interest in related parties and following up with discussions and testing;
- Review of related party transactions to ensure that no favourable rates have been applied;
- Ensuring any contracts with connected parties have been procured following the Trust's procurement and tendering process, and if contracts were entered into after 7 November 2013 that the Trust has obtained statements of assurance confirming no profit element was charged;
- Ensuring expenditure does not contravene the funding agreement;
- Ensuring extra-curricular payments for staff have been made in accordance with the Handbook;
- Ensuring that where special payments, including compromise agreements, have been made to staff, that prior approval has been sought for non-contractual amounts over £50,000, payments are not used as a substitute for taking appropriate action under the Trust's misconduct or performance management procedures, and payments are in line with the severance guidance published by EFA;
- Ensuring borrowing agreements, including finance leases, have been made in accordance with the Handbook;
- Ensuring land and building transactions, especially disposals, are in line with the funding agreement and Handbook and prior approval has been obtained;
- Ensuring write-offs over 1% of total income or £45,000 (whichever is smaller) have been approved in advance by the Secretary of State; and
- Ensuring procurement activity is in accordance with Annex 4.6 of Managing Public Money and that tendering processes have been adhered to.

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MARK PROCTOR FCA DChA (Reporting Accountant)  
LOVEWELL BLAKE LLP

Bankside 300  
Peachman Way  
Broadland Business Park  
Norwich  
NR7 0LB

**SAPIENTIA EDUCATION TRUST**

**STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 August 2016**  
**(Including Income and Expenditure Account)**

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £	Total 2015 £
<b>Income &amp; endowments from:</b>						
Donations & capital grants	2	5,000	-	38,385	43,385	95,813
Charitable activities:						
Funding for the Academy Trust's educational operations	3	3,344	6,182,696	-	6,186,040	6,100,408
Provision of boarding activities	3, 24	7,114,123	-	-	7,114,123	6,628,168
Investments	4	1,523	-	-	1,523	16,106
<b>Total</b>		<b>7,123,990</b>	<b>6,182,696</b>	<b>38,385</b>	<b>13,345,071</b>	<b>12,840,495</b>
<b>Expenditure on:</b>						
Charitable activities:						
Academy Trust's educational operations	6	97,041	6,397,398	632,160	7,126,599	7,220,561
Provision of boarding activities	6, 24	6,914,337	-	-	6,914,337	6,201,347
<b>Total</b>	5	<b>7,011,378</b>	<b>6,397,398</b>	<b>632,160</b>	<b>14,040,936</b>	<b>13,421,908</b>
<b>Net income / (expenditure)</b>		<b>112,612</b>	<b>(214,702)</b>	<b>(593,775)</b>	<b>(695,865)</b>	<b>(581,413)</b>
<b>Other recognised gains / (losses):</b>						
Actuarial (losses) on defined benefit pension schemes	14, 21	-	(3,280,000)	-	(3,280,000)	(67,000)
<b>Net movement in funds</b>		<b>112,612</b>	<b>(3,494,702)</b>	<b>(593,775)</b>	<b>(3,975,865)</b>	<b>(648,413)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward	14	513,458	(3,203,270)	30,556,379	27,866,567	28,514,980
<b>Total funds carried forward</b>	14	<b>626,070</b>	<b>(6,697,972)</b>	<b>29,962,604</b>	<b>23,890,702</b>	<b>27,866,567</b>

All of the multi-academy trust's activities derive from continuing operations during the above two financial periods.

The notes on pages 25 to 44 form part of these financial statements.

**SAPIENTIA EDUCATION TRUST****BALANCE SHEET at 31 August 2016**

	Note	2016 £	2016 £	2015 £
<b>Fixed assets</b>				
Tangible assets	11		30,023,711	30,592,358
<b>Current assets</b>				
Debtors	12	382,181		229,382
Cash at bank and in hand		3,273,145		2,583,837
			<b>3,655,326</b>	<b>2,813,219</b>
<b>Liabilities</b>				
Creditors: Amounts falling due within one year	13	<b>2,731,335</b>		<b>2,054,010</b>
<b>Net current assets</b>			<b>923,991</b>	<b>759,209</b>
<b>Total assets less current liabilities</b>			<b>30,947,702</b>	<b>31,351,567</b>
Defined benefit pension scheme liability	21		(7,057,000)	(3,485,000)
<b>Total net assets</b>	15	<b>23,890,702</b>		<b>27,866,567</b>
<b>Funds of the multi-academy trust:</b>				
<b>Restricted funds</b>				
Fixed asset fund	14	29,962,604		30,556,379
Restricted income fund	14	359,028		281,730
Pension reserve	14	(7,057,000)		(3,485,000)
<b>Total restricted funds</b>		<b>23,264,632</b>		<b>27,353,109</b>
<b>Unrestricted funds</b>	14	<b>626,070</b>		<b>513,458</b>
<b>Total funds</b>		<b>23,890,702</b>		<b>27,866,567</b>

The financial statements on pages 22 to 44 were approved by the Trustees, and authorised for issue on \_\_\_\_\_ and are signed on their behalf by:

**Peter Rout**  
Chairman of Board

The notes on pages 25 to 44 form part of these financial statements.

**SAPIENTIA EDUCATION TRUST****STATEMENT OF CASH FLOWS for the year ended 31 August 2016**

	Notes	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	17	809,378	480,995
<b>Cash flows from investing activities</b>			
	18	(120,070)	(98,891)
<b>Change in cash and cash equivalents in the reporting period</b>		<b>689,308</b>	<b>382,104</b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Cash and cash equivalents at 1 September 2015		2,583,837	2,201,733
<b>Cash and cash equivalents at 31 August 2016</b>	<b>19</b>	<b>3,273,145</b>	<b>2,583,837</b>

The notes on pages 25 to 44 form part of these financial statements.

## **SAPIENTIA EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016**

#### **1. Statement of accounting policies**

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

##### **a) Basis of preparation**

The financial statements of the multi-academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Sapientia Education Trust meets the definition of a public benefit entity under FRS 102.

##### **First time adoption of FRS 102**

These financial statements are the first financial statements of The Engage Multi Academy Trust prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS102) and the Charities SORP 2015 (SORP 2015). The financial statements of The Engage Multi Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ("UK GAAP") and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. (The trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 "Transition to this FRS").

These accounts present information about the multi-academy trust as an individual undertaking and not as a group. Group financial statements have not been prepared on the grounds that the results of the subsidiary company to 31 August 2016 were not material and have therefore not been consolidated.

##### **b) Going concern**

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

## SAPIENTIA EDUCATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016

#### 1. Statement of accounting policies (continued)

##### c) Income

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

###### **Grants**

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

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

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

###### **Donations**

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 period it is receivable and to the extent the Trust has provided the goods or services.

###### **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated goods is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's accounting policies.

## SAPIENTIA EDUCATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016

#### 1. Statement of accounting policies (continued)

##### d) Expenditure

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

##### ***Expenditure on Raising Funds***

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

##### ***Charitable activities***

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

All resources expended are inclusive of irrecoverable VAT.

##### e) Tangible fixed assets

Assets costing £5,000 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.

##### f) Depreciation

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

Freehold buildings	2% straight line
Plant and machinery	10% straight line
Fixtures, fittings and equipment	10% straight line
Motor vehicles	25% reducing balance
Computer hardware	25% straight line

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

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

## **SAPITENTIA EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016**

#### **1. Statement of accounting policies (continued)**

##### **g) 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

##### **h) Provisions**

Provisions are recognised when the Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within the interest payable and similar charges.

##### **i) Leased assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

##### **j) Taxation**

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

Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

##### **k) Pensions benefits**

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

###### *Teachers' Pension Scheme*

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

## SAPIENTIA EDUCATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016

#### 1. Statement of accounting policies (continued)

##### k) Pensions benefits

###### *Local Government Pension Scheme*

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

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

##### l) Fund accounting

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

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

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

##### m) Critical accounting estimates and areas of judgement

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

###### *Critical accounting estimates and assumptions*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

**SAPIENTIA EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016**

**2. DONATIONS AND CAPITAL GRANTS**

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Capital grants	-	38,385	38,385	95,813
Other donations	5,000	-	5,000	-
	<b>5,000</b>	<b>38,385</b>	<b>43,385</b>	<b>95,813</b>

Donations and capital grants amounting to £95,813 related to restricted funds for the year ended 31 August 2015.

**3. FUNDING FOR THE ACADEMY  
TRUST'S EDUCATIONAL AND  
BOARDING OPERATIONS**

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
<b>Educational operations</b>				
DfE / EFA grants				
• General Annual Grant (GAG)	-	5,842,172	5,842,172	5,894,347
• Other DfE/EFA Grants	-	227,439	227,439	109,801
Other Government grants				
• Local authority grants	-	47,752	47,752	44,764
Other income				
• Attleborough High School Link	-	18,667	18,667	6,020
• Exam Re-sit Fees	-	22,305	22,305	21,789
• Teacher Training PGCE Payments (UEA)	-	2,375	2,375	3,500
• Graduate Teacher income	-	-	-	1,250
• 6 <sup>th</sup> Form facility fees	-	21,986	21,986	18,937
Miscellaneous income	3,344	-	3,344	-
	<b>3,344</b>	<b>6,182,696</b>	<b>6,186,040</b>	<b>6,100,408</b>
<b>Boarding operations</b>				
Boarding fees	6,450,753	-	6,450,753	6,139,173
Day pupil fees	342,832	-	342,832	323,309
Staff gas and electricity income	10,924	-	10,924	12,092
Interest receivable	14,119	-	14,119	9,890
Rents received	29,495	-	29,495	25,271
Hire of facilities	218,372	-	218,372	87,845
Catering income	45,099	-	45,099	29,247
Miscellaneous income	2,529	-	2,529	1,341
	<b>7,114,123</b>	<b>-</b>	<b>7,114,123</b>	<b>6,628,168</b>
	<b>7,117,467</b>	<b>6,182,696</b>	<b>13,300,163</b>	<b>12,728,576</b>

Funding for educational operations amounting to £6,196,221 related to restricted funds for the year ended 31 August 2015.

**SAPIENTIA EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016**

4. INVESTMENT INCOME	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Gift aid from subsidiary	-	-	-	15,493
Short term deposits	1,523	-	1,523	613
	1,523	-	1,523	16,106

Investment income relating to the Trust's boarding operations is shown in note 3.

**5. EXPENDITURE**

	Non Pay Expenditure			Total 2016 £	Total 2015 £
	Staff Costs £	Premises £	Other £		
Academy's educational operations (note 6)					
• Direct costs	4,198,024	665,974	648,819	5,512,817	5,760,506
• Allocated support costs	652,398	448,179	221,205	1,321,782	1,117,055
• FRS102 pension costs	292,000	-	-	292,000	343,000
	5,142,422	1,114,153	870,024	7,126,599	7,220,561
Academy's boarding operations (note 24)					
• Direct costs	3,994,886	-	884,537	4,879,423	4,219,836
• Allocated support costs	719,306	555,828	759,780	2,034,914	1,981,511
	4,714,192	555,828	1,644,317	6,914,337	6,201,347
	9,856,614	1,669,981	2,514,341	14,040,936	13,421,908

Funding for educational operations amounting to £6,196,221 related to restricted funds for the year ended 31 August 2015.

**Net expenditure for the period includes:**

	2016 £	2015 £
Operating leases rentals	276,270	239,619
Depreciation	665,974	654,323
Fees payable to auditor for:		
- audit	7,645	7,425
- other services	2,165	2,100

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000	
		Amount £	Reason
Unrecoverable debts	16,607	-	-

**SAPIENTIA EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016**

**6. CHARITABLE ACTIVITIES**

		Total 2016	Total 2015
		£	£
<b>Direct costs – educational operations</b>		5,512,817	5,760,506
<b>Direct costs – boarding and catering</b>	24	4,879,423	4,219,836
<b>Support costs – educational operations</b>		1,321,782	1,117,055
<b>Support costs – boarding and catering</b>	24	2,034,914	1,981,511
<b>FRS102 Pension costs</b>	21	292,000	343,000
		<hr/> 14,040,936	<hr/> 13,421,908
<b>Analysis of support costs</b>		<b>Educational Operations</b>	<b>Total 2016</b>
	<b>Boarding</b>	<b>£</b>	<b>Total 2015</b>
Support staff costs	719,306	652,398	1,371,704
Technology costs	4,206	2,822	7,028
Premises costs	1,249,928	457,794	1,707,722
Other support costs	61,474	145,541	207,015
Governance costs	-	63,227	63,227
<b>Total support costs</b>	<hr/> 2,034,914	<hr/> 1,321,782	<hr/> 3,356,696
			<hr/> 3,098,566

Charitable activities amounting to £7,002,218 related to restricted funds for the year ended 31 August 2015.

## SAPIENTIA EDUCATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016

#### 7. STAFF

<b>a. Staff costs</b>	<b>Total 2016</b>	<b>Total 2015</b>
	£	£
Staff costs during the period were:		
Wages and salaries	7,541,592	7,710,058
Social security costs	581,161	527,271
Operating costs of defined benefit pension schemes	1,311,114	1,186,170
	9,433,867	9,423,499
Supply staff costs	117,005	147,510
Staff restructuring costs	13,742	22,188
	9,564,614	9,593,197
Staff restructuring costs comprise:		
Redundancy payments	10,235	16,491
Severance payments	3,507	5,697
	13,742	22,188

#### b. Staff numbers

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

	<b>2016 No.</b>	<b>2015 No.</b>
<b>Charitable Activities</b>		
Teaching, administration and support	245	236
Catering	44	40
	289	276

#### c. Higher paid staff

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

	<b>2016 No.</b>	<b>2015 No.</b>
£60,001 - £70,000	3	4
£70,001 - £80,000	4	5
£80,001 - £90,000	2	1
£90,001 - £100,000	-	-
£100,001 +	1	1

#### d. Key management personnel

The key management personnel of the Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £553,911 (2015: £538,645).

## SAPIENTIA EDUCATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016

#### 8. CENTRAL SERVICES

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

#### 9. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The Principal and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment.

The value of Trustees' remuneration and other benefits was as follows:

J Taylor (Principal and Trustee)		
Remuneration	£105,000 - £110,000	(2015: £105,000 - £110,000)
Employer's pension contributions	£15,000 - £20,000	(2015: £10,000 - £15,000)
R Moorhouse (Bursar and Staff Trustee)		
Remuneration	£80,000 - £85,000	(2015: not a Trustee)
Employer's pension contributions	£10,000 - £15,000	(2015: not a Trustee)
S Rigney (Staff Trustee)		
Remuneration	£50,000 - £55,000	(2015: £45,000 - £50,000)
Employer's pension contributions	£5,000 - £10,000	(2015: £5,000 - £10,000)
N Lingwood (Staff Trustee)		
Remuneration	£25,000 - £30,000	(2015: £25,000 - £30,000)
Employer's pension contributions	£0,000 - £5,000	(2015: £0,000 - £5,000)

During the period ended 31 August 2016, travel and subsistence expenses totalling £9,448 were reimbursed or paid directly to the 2 Trustees (2015: £8,115 to 1 Trustee).

Other related party transactions involving the Trustees are set out in note 22.

#### 10. TRUSTEES AND OFFICERS INSURANCE

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides maximum cover up to £2,000,000 and the cost for the period ended 31 August 2016 is included within the premium per pupil as part of the risk protection arrangement with the DfE. The cost of this insurance is included in the total insurance cost.

**SAPIENTIA EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016**

**11. TANGIBLE FIXED ASSETS**

	<b>Freehold land &amp; buildings</b> £	<b>Fixtures &amp; fittings, plant &amp; machinery</b> £	<b>Motor vehicles</b> £	<b>Total 2016</b> £
<b>Cost</b>				
At 1 September 2015	33,401,000	98,514	66,632	33,566,146
Additions	-	57,947	39,380	97,327
At 31 August 2016	<u>33,401,000</u>	<u>156,461</u>	<u>106,012</u>	<u>33,663,473</u>
<b>Depreciation</b>				
At 1 September 2015	2,890,855	49,675	33,258	2,973,788
Charged in year	632,160	15,625	18,189	665,974
At 31 August 2016	<u>3,523,015</u>	<u>65,300</u>	<u>51,447</u>	<u>3,639,762</u>
<b>Net book values</b>				
At 31 August 2016	<u>29,877,985</u>	<u>91,161</u>	<u>54,565</u>	<u>30,023,711</u>
At 31 August 2015	<u>30,510,145</u>	<u>48,839</u>	<u>33,374</u>	<u>30,592,358</u>

**12. DEBTORS**

	<b>2016</b> £	<b>2015</b> £
Trade debtors	73,611	68,239
Other debtors	164,469	115,032
Prepayments and accrued income	144,101	46,111
	<u>382,181</u>	<u>229,382</u>

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

	<b>2016</b> £	<b>2015</b> £
Trade creditors	214,441	151,743
Other taxation and social security	304,068	288,323
Other creditors	1,435,168	1,281,267
Accruals and deferred income	777,658	332,677
	<u>2,731,335</u>	<u>2,054,010</u>

	<b>2016</b> £	<b>2015</b> £
Deferred income at 1 September 2015	65,528	75,012
Released from previous years	(65,528)	(75,012)
Resources deferred in the year	115,099	65,528
Deferred income at 31 August 2016	<u>115,099</u>	<u>65,528</u>

Deferred income related to amounts received from EFA and NCC during 2015/16 relating to 2016/17.

**SAPIENTIA EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016**

14. FUNDS	Balance at 1 September 2015				Gains losses and transfers	Balance at 31 August 2016
		Income	Expenditure	£		
<b>Restricted general funds</b>						
General Annual Grant (GAG) and other DfE/EFA grants	281,730	6,092,696	(6,105,398)		-	269,028
MAT funding	-	90,000	-		-	90,000
Pension reserve	(3,485,000)	-	(292,000)	(3,280,000)		(7,057,000)
	(3,203,270)	6,182,696	(6,397,398)	(3,280,000)		(6,697,972)
<b>Restricted fixed asset funds</b>						
DfE/EFA capital grants	562,354	38,385	(11,220)		-	589,519
Transfer on conversion	29,994,025	-	(620,940)		-	29,373,085
	30,556,379	38,385	(632,160)		-	29,962,604
<b>Total restricted funds</b>	<b>27,353,109</b>	<b>6,221,081</b>	<b>(7,029,558)</b>	<b>(3,280,000)</b>		<b>23,264,632</b>
<b>Unrestricted funds</b>						
General fund	431,245	7,123,990	(7,074,891)		-	480,344
Fixed asset fund	82,213	-	63,513		-	145,726
<b>Total unrestricted funds</b>	<b>513,458</b>	<b>7,123,990</b>	<b>(7,011,378)</b>		-	<b>626,070</b>
<b>Total funds</b>	<b>27,866,567</b>	<b>13,345,071</b>	<b>(14,040,936)</b>	<b>(3,280,000)</b>		<b>23,890,702</b>

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

**GAG & other DfE/EFA grants:** the restricted income fund is for the purpose of specific expenditure within the Trust's declared objectives. DfE/EFA grants relate to government funding for the provision of education by the Trust. Funding is repayable if the Trust does not meet all funding requirements.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

**MAT funding:** this relates to the Sponsor Capacity funding from the EFA to be utilised during 16/17.

**Pension reserve:** this relates to the deficit on the local government pension fund. Any increase in pension contributions suggested by the Scheme Actuary should be able to be met from the Trust's budgeted annual income.

**DfE/EFA capital grants:** provided by the government for specific capital projects.

**Transfer on conversion:** value of donated assets recognised in the financial statements at their estimated value to the Trust in the period in which they are receivable and where the benefit is both quantifiable and measurable.

**Fixed asset fund:** the value of fixed assets acquired from unrestricted funds since conversion.

**Total funds analysis by academy:**

All funds (income and expenditure) relate to Wymondham College Academy Trust for the year ended 31 August 2016.

## SAPIENTIA EDUCATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016

#### 15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2016 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	145,726	-	29,877,985	30,023,711
Net current assets	480,344	359,028	84,619	923,991
Pension scheme liability	-	(7,057,000)	-	(7,057,000)
<b>Total net assets</b>	<b>626,070</b>	<b>(6,697,972)</b>	<b>29,962,604</b>	<b>23,890,702</b>

#### 16. COMMITMENTS UNDER OPERATING LEASES

##### Operating leases

At 31 August 2016 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts due within one year	-	-
Amounts due between one and five years	1,055,901	1,064,603
Amounts due after five years	-	-
	<b>1,055,901</b>	<b>1,064,603</b>

#### 17. RECONCILIATION OF NET INCOME / (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net (expenditure) for the reporting period (as per the SOFA)	(695,865)	(463,413)
Adjusted for:		
Depreciation (note 11)	665,974	649,792
Capital grants from DfE/EFA and other capital income	38,385	95,813
Interest receivable (notes 3 and 4)	(15,642)	(10,503)
Defined benefit pension scheme cost less contribution payable (note 21)	961,000	791,000
Defined benefit pension scheme finance cost (note 21)	(669,000)	(566,000)
(Increase) / decrease in debtors	(152,799)	107,500
Increase / (decrease) in creditors	677,325	(123,194)
<b>Net cash provided by Operating Activities</b>	<b>809,378</b>	<b>480,995</b>

**SAPIENTIA EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016**

**18. CASH FLOWS FROM INVESTING ACTIVITIES**

	<b>2016</b>	<b>2015</b>
	£	£
Dividends, interest and rents received from investments	15,642	10,503
Proceeds from sale of tangible fixed assets	-	7,084
Purchase of tangible fixed assets	(97,327)	(20,665)
Capital grants from DfE/EFA	(38,385)	(95,813)
<b>Net cash (used in) investing activities</b>	<b>(120,070)</b>	<b>(98,891)</b>

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

	<b>At 31 August 2016</b>	<b>At 31 August 2015</b>
	£	£
Cash in hand and at bank	3,273,145	2,583,837
<b>Total cash and cash equivalents</b>	<b>3,273,145</b>	<b>2,583,837</b>

**20. 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.

## **SAPIENTIA EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016**

#### **21. PENSION AND SIMILAR OBLIGATIONS**

The Trust'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 Norfolk County Council. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and the LGPS 31 March 2013.

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

#### **Teachers' Pension Scheme**

##### **Introduction**

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

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

##### **Valuation of the Teachers' Pension Scheme**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge, (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

## SAPIENTIA EDUCATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016

#### 21. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

The employer's pension costs paid to the TPS in the period amounted to £460,106 (2015: £401,745).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

#### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £872,000 (2015: £749,000) of which employer's contributions totalled £669,000 (2015: £566,000) and employees' contributions totalled £203,000 (2015: £183,000). The agreed contribution rates for future years range from 5.5% - 12.5% for employees, and 16% for employers plus an annual deficit recovery contribution of £132,000 in 2014/15, £163,000 in 2015/16 and £194,000 in 2016/17.

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

#### Principal Actuarial Assumptions

	At 31 August 2016	At 31 August 2015
	%	%
Salary increase rate	3.1	3.5
Pension increase rate	2.1	2.6
Discount rate	2.0	3.7

The current mortality assumption is that the current rate of improvement has reached a peak and will converge to a long term rate of 1.25% p.a.. The average future life expectancies at age 65 are:

	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	22.1	22.1
Females	24.5	24.3
<i>Retiring in 20 years</i>		
Males	24.5	24.5
Females	26.9	26.9

**SAPIENTIA EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016**

**21. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)**

The Trust's share of the assets in the scheme were:

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Fair value of plan assets	9,687,000	7,620,000
Present value of funded liabilities	<u>(16,744,000)</u>	<u>(11,105,000)</u>
<b>Deficit in the scheme</b>	<b><u>(7,057,000)</u></b>	<b><u>(3,485,000)</u></b>
 <b>Amounts recognised in the statement of financial activities</b>		
	2016 £	2015 £
Current service cost (net of employee contributions)	<u>829,000</u>	<u>792,000</u>
<b>Total operating charge</b>	<b><u>829,000</u></b>	<b><u>792,000</u></b>
 <b>Analysis of pension finance income / (costs)</b>		
	2016 £	2015 £
Expected return on pension scheme assets	<u>(296,000)</u>	<u>(260,000)</u>
Interest on pension liabilities	<u>428,000</u>	<u>377,000</u>
<b>Pension finance income / (costs)</b>	<b><u>132,000</u></b>	<b><u>117,000</u></b>

## SAPIENTIA EDUCATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016

#### 21. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

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

	2016	2015
	£	£
<b>At 1 September</b>		
Current service cost	11,105,000	9,790,000
Interest cost	829,000	792,000
Employee contributions	428,000	377,000
Actuarial loss	203,000	183,000
Benefits paid	4,303,000	98,000
	<u>(124,000)</u>	<u>(135,000)</u>
<b>at 31 August</b>	<b><u>16,744,000</u></b>	<b><u>11,105,000</u></b>

Changes in the fair value of the Trust's share of scheme assets:

	2016	2015
	£	£
<b>At 1 September</b>		
Return on plan assets	7,620,000	6,715,000
Actuarial gain / (loss)	296,000	260,000
Employer contributions	1,023,000	31,000
Employee contributions	669,000	566,000
Benefits paid	203,000	183,000
	<u>(124,000)</u>	<u>(135,000)</u>
<b>at 31 August</b>	<b><u>9,687,000</u></b>	<b><u>7,620,000</u></b>

The estimated value of employer contributions for the year ended 31 August 2017 is £687,000.

#### 22. EXPLANATION OF TRANSITION TO FRS 102

It is the first year that the academy trust has presented its figures under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2016 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/expenditure for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

	31 August 2016	£
<b>Reconciliation of net income / (expenditure)</b>		
Net expenditure previously reported under UK GAAP		(463,413)
Change in recognition of LGPS interest cost	A	(118,000)
Net expenditure reported under FRS 102		<u>(581,413)</u>

## **SAPIENTIA EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016**

#### **22. EXPLANATION OF TRANSITION TO FRS 102 continued**

##### **A – Change in recognition of LGPS interest cost**

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to income by £118,000 and increase the credit in other recognised gains and losses in the Statement of Financial Activities by an equivalent amount.

#### **23. RELATED PARTY TRANSACTIONS**

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

Wymondham College Enterprises Limited is a fully owned subsidiary company of Wymondham College Academy Trust. The company's principal activity is the running of the College tuckshop. For the year ended 31 August 2016 the subsidiary company returned a net loss before taxation of £277.

Results for the period:

Turnover	£2,373
Expenditure	£2,650
Loss	£277
Capital & reserves	£9,608
Aggregate assets & liabilities	£9,608

The subsidiary company is not consolidated within these accounts on the grounds of materiality. Therefore, the accounts present information about the Trust as an individual undertaking and not as a group.

The following Governors had children attending the College during the Year: Mr Moorhouse (Bursar & Trustee), Mr Davey (Parent Governor), Mr Scott (Parent Governor), Mr Rigney (Staff Governor) and Mr Norton (Business Governor). Full fees were paid and no concessions received.

The Principal and three Trustees received out of pocket expenses during the period totalling £10,754 (2015: Principal and two Trustees £9,239).

There were no other transactions which, in the opinion of the Trustees, need to be reported for the purposes of a proper understanding of the accounts.

#### **24. EVENTS AFTER THE END OF THE REPORTING PERIOD**

Old Buckenham Primary School joined the Multi-Academy Trust on 1 September 2016. Further academies are expected to join during the 16/17 financial year.

**SAPIENTIA EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 August 2016

**24. ACADEMY BOARDING TRADING ACCOUNT**

	2016	2015
	£	£
<b>Income</b>		
Fee income	6,792,779	6,462,481
Rents received	258,791	113,116
Catering income	47,581	29,246
Other income	<u>14,972</u>	<u>23,325</u>
	<u><b>7,114,123</b></u>	<u><b>6,628,168</b></u>
<b>Expenditure</b>		
<b>Direct costs</b>		
Boarding salaries	3,994,886	3,961,265
Rate of return expenditure	507,836	105,387
Educational consultancy	19,030	10,872
Other direct costs	<u>357,671</u>	<u>142,312</u>
<b>Total direct costs</b>	<b>4,879,423</b>	<b>4,219,836</b>
<b>Allocated support costs</b>		
Catering salaries	719,306	734,520
Maintenance of premises and equipment	231,335	255,159
Cleaning	24,145	26,475
Security	3,283	4,287
Rent and rates	91,362	83,806
Energy costs	220,597	204,869
Provisions	685,366	648,101
Transport	(6,160)	(19,543)
Bank charges	3,197	3,294
Advertising, marketing and recruitment	54,954	40,120
Technology costs	4,206	4,554
Other support costs	<u>3,323</u>	<u>(4,131)</u>
<b>Total support costs</b>	<b><u>2,034,914</u></b>	<b><u>1,981,511</u></b>
<b>Total operating costs</b>	<b><u>6,914,337</u></b>	<b><u>6,201,347</u></b>
<b>Surplus on Boarding and Catering</b>	<b><u>199,786</u></b>	<b><u>426,821</u></b>
Surplus brought forward at 1 September 2015	<u>541,462</u>	<u>114,641</u>
<b>Surplus carried forward at 31 August 2016</b>	<b><u>741,248</u></b>	<b><u>541,462</u></b>