

SAPIENTIA EDUCATION TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2018



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 (resigned wef 31 July 2018)
Mr A Underwood OBE (appointed wef 31 July 2018)
Mrs M Able (appointed wef 14 December 2017)
Mrs S Dinneen (appointed wef 14 December 2017)

Directors (Trustees)

Mr P Rout (Chairman) #
Mr P Norton (Vice Chairman)
Mr J Taylor (SET CEO/Executive Principal and Accounting Officer) #
Mr I Baker #
Mr F Davey #
Ms S Dinneen (resigned 3 November 2017)
Mr R Hill
Mr A Underwood OBE (resigned wef 31 July 2018)
Ms L Wayman
Mr R Margand (appointed wef 14 December 2017)
Mrs E Soule (appointed wef 14 December 2017)
Professor J Last (appointed wef 14 December 2017)
= member of Audit and Risk Committee

SET Leadership Team

Chief Executive Officer

Mr J Taylor

Chief Operating Officer/Company Secretary

Mr R Moorhouse MBE

Director of MAT Growth and Development

Miss K Bray

Director of Primary Improvement

Mrs K Stokes

Director of Secondary Improvement

Mrs Z Fisher

SAPIENTIA EDUCATION TRUST

Reference and Administrative Details (continued)

Company Name	Sapientia Education Trust
Principal and Registered Office	Wymondham College Golf Links Road Wymondham Norfolk NR18 9SZ
Company Registration Number	07466353 (England and Wales)
Independent Auditor	Lovewell Blake LLP Chartered Accountants and Statutory Auditor Bankside 300 Peachman Way Broadland Business Park Norwich NR7 0LB
Bankers	NatWest Bank plc 5 Market Place Wymondham Norfolk NR18 0AG
Solicitors	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 2018

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 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates the following schools:

Wymondham College (became an Academy on 1 February 2011)
Old Buckenham Primary School (joined the Trust on 1 September 2016)
Seething and Mundham Primary School (joined the Trust on 1 April 2017)
Burston Primary School (joined the Trust on 1 June 2017)
Tivetshall Primary School (joined the Trust on 1 June 2017)
Rockland St Mary Primary School (joined the Trust on 1 September 2017)
Surlingham Primary School (joined the Trust on 1 September 2017)
Great Hockham Primary and Nursery School (joined the Trust on 1 November 2017)
Stradbroke High School (joined the Trust on 1 December 2017)
Ghost Hill Infant and Nursery School (joined the Trust on 1 April 2018)
Framingham Earl High School (joined the Trust on 1 May 2018)

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 and to the date these accounts are approved 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 2017

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 CEO/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 individual appointed as a Trustee shall be an employee 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 arranges its own Trustee training and training for Governors who serve at Local Governing Body level.

Organisational Structure

The Trust's organisational structure consists of four levels: the Members, Board of Trustees, the Local Governing Body and the Executive at each school. The Executive are the Executive Principal/Headteacher and Senior Leadership Team. Below the Senior Leadership Team there may be other groups according to the requirements of each individual school eg at Wymondham College there are Heads of House and Heads of Department meetings.

The Board of Trustees has the following sub - committees:

Finance and Infrastructure which oversees all financial and infrastructure issues for the Trust and reports to the Board of Trustees

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

Human Resources and Remuneration which oversees human resources and remuneration matters for the Trust and reports to the Board of Trustees.

Standards which oversees educational standards and boarding matters for the Trust and reports to the Board of Trustees.

The sub-committees receive consolidated reports capturing the relevant information from each MAT school in a common format to allow the sub-committee members to assess performance data across all MAT schools. The sub-committees then report to the MAT Board

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

The Local Governing Body is responsible for setting specific school 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 termly. The Local Governing Body reports are collated by the MAT central team and are reported to the relevant Board sub-committee.

The Executive Principal/Headteacher at each school is responsible, along with their Senior Leadership team for implementing the policies approved by the Trust Board and the Local Governing Body.

SAPIENTIA EDUCATION TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2018

Structure, Governance and Management (continued)

Arrangements for setting pay and remuneration of key management personnel

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

Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require relevant public sector employers to publish specified information related to facility time taken by trade union officials. The relevant information related to Sapientia Trust between 1 April 2017 and 31 March 2018 is published below:

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
7	7

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1-50%	0
51-99%	0
100%	0

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£3,797
Provide the total pay bill	£7,782,663
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	0.05%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time	0.00%
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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 breakfast and after-school clubs. For the year ended 31 August 2018 the subsidiary company returned a net loss before taxation of £4k. The subsidiary company is not consolidated within these accounts on the grounds of materiality.

SAPIENTIA EDUCATION TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2018

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 ensures that all MAT schools provide a balanced and broad curriculum and meet the requirements of the Schools Admissions Code in drawing up their own Admissions Policy.

Objectives, Strategies and Activities

The main objectives of the Trust for the year ended 31 August 2018 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 MAT schools are 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 MAT's business in accordance with the highest standards of integrity, probity and openness.

The Trust's Vision is:

"To provide a world class education locally, enabling every pupil to reach their full potential."

Strategic intent:

- To deliver an education that is holistic and broad ranging, of high quality in and beyond the classroom
- To ensure opportunities to achieve are available for all
- To harness and develop the talents that exist in the MAT
- To meet the professional needs of staff, sharing best practice, with a strong commitment to personal development

In meeting this intent the Trust will be:

- Responsive to schools as they join the MAT, valuing the unique qualities/individualism of each MAT school, whilst recognising the need for all schools to deliver the strategic intents of the Trust.
- Run on sound and ethical business principles, offering a structure whereby resources and expertise can be focused across all of the schools, keeping down back office costs and driving up standards.

The Trust Strategic Plan is reviewed and evaluated annually by Trustees. Where appropriate the plan is amended and will be in place for the start of the 2018-19 financial year. A summary of the achievements during the course of the year up until 31 August 2018 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.

SAPIENTIA EDUCATION TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2018

Strategic Report

Achievements and Performance

In the year leading up to 31 August 2018 the following were achieved:

- Additional members were appointed taking the total number of Members to 5;
- New Trustees were recruited to the Trust Board adding additional skill sets around secondary education, further education and commercial law;
- Rockland St Mary Primary School Joined the Trust on 1 September 2017;
- Surlingham Primary School joined the Trust on 1 September 2017;
- Great Hockham Primary School joined the Trust on 1 November 2017;
- Stradbroke High School joined the Trust on 1 December 2017;
- Ghost Hill Infant and Nursery School joined the Trust on 1 April 2018;
- Framingham Earl High School joined the Trust on 1 May 2018;
- Old Buckenham High School Governing Body resolved to join the Trust in FY 2018-19;
- a new Finance Director was appointed;
- a new Director of Secondary Improvement was recruited to work across secondary schools within the Trust;
- a Trust Health and Safety Officer was appointed to provide Health and Safety support to all Trust schools;
- a Contracts and Projects Director was appointed who will lead on pulling together a Trust ICT Strategy review during FY2018-19;
- additional appointments to the SET central team were made to provide support to all Trust schools;
- the National Association of Governors (NGA) were commissioned to carry out an external review of Governance that reported to the Board in July 2018;
- the Sapientia Teaching School Alliance was established;
- 'Talk 4 Writing' and 'Power Maths' strategies were introduced at Primary level; and
- It was agreed that an Internal Auditor would be appointed to carry out the internal audit function across the Trust starting in in FY 2018-19.

At Wymondham College:

- at A level, the overall pass rate (A-E) was 99% with 60% of students achieving passes at Grade A*/B; Value added data indicates progress is 'significantly above' national levels.
- at GCSE, 28% achieved passes at A*/A. There were 86% of students who achieved the 4+ 'basics' measure and 65% the 5+ measure,
- attainment 8 was 55.1 and progress 8 +.37 (above average nationally)
- 49% of students achieved the EBACC qualification;
- work on the new Maths classroom teaching building to replace the Student Services Building started;
- continued the programme of boarding house refurbishment including the provision of a staff flat accommodation extension in New Hall;
- further expansion of the HR management system to take on the payroll function for MAT schools; and
- substantial work with the Department for Education regarding the new Primary Free School.

SAPIENTIA EDUCATION TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2018

Achievements and Performance (continued)

At Old Buckenham Primary School:

- Attainment improved at KS2 with 61% securing the combined measure;
- progress levels at KS2 were above 'floor,' with reading going positive for the first time and improvements in Maths and writing;
- KS1 measures remain below national levels, though well above in terms of depth for the more able. Phonics screening results show continued improvement; and
- the former private nursery that ran on the school site was absorbed into the school operation providing education through to Year 6.

At Seething and Mundham Primary School:

- KS2 outcomes were above national, with 67% achieving the combined score;
- progress measures were strong and above average in all three areas; and
- KS1 data is in line with national, though slightly weaker than predicted.

At Burston Primary School:

- Very small numbers are not statistically significant at both KS1 and KS2;
- approval for the replacement of the artificial pitch was secured with the work taking place in October 2018; and
- internal QA indicates the school is continuing to improve and now 'good.'

At Tivetshall Primary School:

- Very small numbers are not statistically significant at both KS1 and KS2; and
- planning underway for the creation of a Forest Schools area.

At Rockland St Mary Primary School:

- The combined score at KS2 was in line with the previous years and below the national average;
- progress measures are broadly in line with the national average;
- a new staffing structure was introduced; and
- external QA indicates a rapidly improving school.

At Surlingham Primary School:

- 100% secured the KS2 combined scores in SATS;
- KS1 outcomes remain strong; and
- KS2 Progress levels are above national averages in all 3 areas.

At Great Hockham Primary and Nursery School:

- 67% secured the KS2 combined scores in SATS; and
- progress scores significantly improved in Maths, and remain strong.

SAPIENTIA EDUCATION TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2018

Achievements and Performance (continued)

At Stradbroke High School:

- GCSE results were the second best ever – 70% of students secured the 4+ Maths and English Measure;
- progress scores are exceptionally strong - +0.62, making it one of the highest performing schools in the region;
- unusually 'disadvantaged' students achieved well above the non-disadvantaged national cohort, in terms of progress; and
- work continues on the replacement roof which should be complete by November 2018.

At Ghost Hill Infant and Nursery School

- KS1 outcomes remained strong.

At Framingham Earl High School:

- GCSE results demonstrated high levels of attainment – 50.5 on the attainment * measure;
- EBACC results significantly improved;
- progress levels were -.04, slightly under predicted levels; and
- Significant toilet refurbishment work was undertaken.

Key Performance Indicators

The Trust 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 Trust's cash balances were never exceeded by commitments. In particular:

- All schools in the Trust met their planned carry-forward targets at the end of the year;
- the planned programme of capital expenditure at Wymondham College and Old Buckenham Primary Schools was delivered;
- the planned programme of expenditure contained within the Rate of Return plan for boarding accommodation improvements at Wymondham College was delivered;
- the planned major project work to deliver a new Maths teaching building and new Estates Management facilities at Wymondham College started (due for completion in FY 2018-19);

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.

SAPIENTIA EDUCATION TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2018

Financial Review

Most of the Trust's income is obtained either from the ESFA 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 ESFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2018, the Trust received income of £11,846k (2017: £7,552k) in respect of General Annual Grant and other Government funding, £2,661k (2017: £314k) in the form of ESFA capital grants, £7,038k (2017: £6,954k) fee income, transfers from the local authority on conversion of £17,948k (2017: £4,925k), transfers from an existing academy joining the trust of £3,414k, teaching school income of £125k (2017: £76k) and £436k (2017: £296k) other income, giving total income of £43,467k (2017: £20,117k) for the period. Expenditure for the period amounted to £22,303k (2017: £16,349k).

The Trust receives grants for fixed assets from ESFA. 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 2018 the net book value of fixed assets was £55,708k (2017: £34,692,047) and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

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 Trust held fund balances at 31 August 2018 of £53,972k (2017: £30,656k) comprising a deficit of £5,531k (2017: £5,073k) of restricted funds, surplus of £58,086k (2017: £34,935k) of restricted fixed assets and surplus of £1,417k (2017: £794k) 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 £5,725k (2017: £5,497k). 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 2018 the Trust had free reserves of £1,322k (2017: £662k).

Investment Policy

With the exception of cash held for operation of the Trust, the Trust has no realisable investments as at 31 August 2018. 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.

SAPIENTIA EDUCATION TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2018

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 five risks faced by Sapiencia Education Trust as:

- the Trust grows too quickly or grows too slowly;
- key personnel are not adequately supported through capacity planning;
- communication across all levels of Trust governance is inadequate to meet the requirements of the Trust Board;
- central government funding provided to schools is under increasing pressure; and
- the financial impact of low or reduced pupil numbers at Trust schools.

The Audit and Risk Committee consider the principal risks identified at each school over the course of the year. The risks are a combination of those identified by the Executive Principal/Headteacher in their termly reports and those identified by the central team. All identified risks are monitored and discussed at meetings of the Audit and Risk Committee.

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 in the coming FY the Trust will introduce a process of internal audit carried by an external auditor; this is explained in more detail in this report.

Fundraising

The academy trust has not carried out any fundraising during the year.

SAPIENTIA EDUCATION TRUST

TRUSTEES' REPORT (Including Strategic Report) for the year ended 31 August 2018

Plans for Future Periods

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

Sapientia Education Trust:

- Establish Old Buckenham High School within the Trust;
- continue to work with the Department for Education on the planned delivery of the Primary Free School planned to open in September 2020;
- further develop capacity within the MAT central team commensurate with the growth of the MAT;
- consider the recommendations of the NGA External review of Governance;
- fully establish the Sapientia Teaching School Alliance, including professional learning pathway; and
- implement a programme of Internal Audit as directed by the Trust Audit and Risk Committee.

Wymondham College:

- further improve achievement levels at KS3, KS4 and sixth form;
- further improve the quality of teaching and learning across the College;
- drive improvement in the quality of intervention across the College at all levels;
- deliver the wellbeing strategic plan;
- further enhance 'Wymondham life' extra-curricular offer
- enhance and improve continual professional development opportunities at all levels across the College;
- develop the boarding offer, including preparation for the next boarding Ofsted;
- complete work to provide the new Maths teaching accommodation; and
- continue to develop enrichment opportunities at the College.

Old Buckenham Primary School

- Cement the Old Buckenham Nursery group into the school structures;
- develop the quality and impact of middle leadership; and
- further improve progress levels at KS2.

Seething and Mundham Primary School

- Appoint and induct a new Headteacher;
- develop the quality and impact of middle leadership; and
- build sustainability in terms of student numbers.

Burston Primary School

- Appoint and induct a new Headteacher;
- develop the quality and impact of leadership at school level; and
- build sustainability in terms of student numbers.

Tivetshall Primary School

- Appoint and induct a new Headteacher;
- develop the quality and impact of middle leadership;
- ensure all students progress levels are appropriate; and
- build sustainability in terms of student numbers

Rockland St Mary Primary School

- Develop the quality and impact of middle leadership;
- improve outcomes at KS2; and
- build sustainability in terms of student numbers

SAPIENTIA EDUCATION TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2018

Plans for Future Periods (continued)

Surlingham Primary School

- Develop the quality and impact of middle leadership; and
- build sustainability in terms of student numbers.

Great Hockham Primary and Nursery School

- Develop the quality and impact of middle leadership; and
- Maintain recent improvements in KS2 SATs.

At Stradbroke High School:

- Improve the slightly weaker departments, in terms of GCSE outcomes; and
- Maintain recent improvements.

At Ghost Hill Infant and Nursery School

- Further improve KS1 outcomes; and
- Start programme of internal building condition improvements.

At Framingham Earl High School:

- Develop a raising achievement strategy at KS4;
- focus on reducing the gap between 'disadvantaged' students and their peers at GCSE; and
- Improve progress levels for Higher Attaining Students at GCSE.

Equal Opportunities Policy

Sapientia Education Trust recognises its commitment to students, staff, parents/carers and Trustees/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;

SAPIENTIA EDUCATION TRUST

TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2018

Equal Opportunities Policy (continued)

- 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.

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.

All Trust schools have a Single Equality Scheme (SES) which integrates 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 schools 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 schools 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 individual school Local Governing Body, and will cover activity in relation to the eight equality strands and promoting community cohesion.

SAPIENTIA EDUCATION TRUST

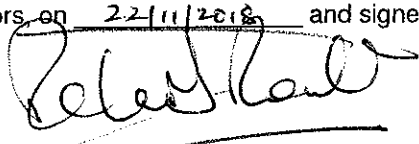
TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2018

Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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.

Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 22/11/2018 and signed on the Board's behalf by:


A handwritten signature in black ink, appearing to read 'Peter Rout', is written over a horizontal line.

Peter Rout
Chairman of Board

SAPIENTIA EDUCATION TRUST

GOVERNANCE STATEMENT

Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Sapienia 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 Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Sapienia 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 Board of Trustees has formally met 6 times during the year. The Trustee Board attendance during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Rout (Chair)	4	6
Mr P Norton (Vice-Chair)	4	6
Mr J Taylor (CEO and Accounting Officer)	6	6
Mr I Baker (Responsible Officer)	4	6
Mr F Davey	6	6
Mrs S Dinneen	0	1
Mr R Hill	4	6
Mr A Underwood	5	5
Ms L Wayman	6	6
Mr R Margand	2	3
Mrs E Soule	3	3
Professor J Last	2	3

Mrs Dinneen resigned as a Trustee in November 2017. Mr Underwood resigned as a Trustee in July 2018. Mr Margand, Mrs Soule and Professor Last joined the Trust in December 2017.

Over the course of the year the Board has focused on putting together the structures required to bring more schools into the Trust. This work has involved embedding a Board Committee structure to provide additional committees to sit alongside the Audit and Risk Committee noted below. The additional committees are Finance and Infrastructure, HR and Remuneration and Standards and each committee has sat during the FY 2017-18. The Board has also amended policies to reflect the changes that the MAT structures bring. This work has been in addition to the Board's normal role of maintaining academic standards across all schools in the Trust and ensuring prudent financial management.

SAPIENTIA EDUCATION TRUST

GOVERNANCE STATEMENT (continued)

The Board has risen positively to the new challenges it has faced over the course of this year and Trustees have actively engaged to ensure that structures and systems are in place and appropriate for the growth of the MAT. The new committee structure noted above has allowed the Board to bring in additional skill-sets to the committees, where appropriate, to supplement those of existing Trustees. Specialist advisors have been co-opted to the Audit and Risk and HR and Remuneration committees as non-voting members but bring substantial knowledge and experience to support the work of those committees. In addition, the work of the committees has focused on identifying the information they need to be able to carry out their roles. For example, the Standards Committee, which reviews the educational performance of each school in the Trust, invites each Chair of each Local Governing Body to attend in order that they may not only gain a greater understanding of their own school's performance but also be able to benchmark that with other schools across the Trust. The Board has provided further training to the Local Governing Bodies around the monitoring role that the Board wants them to carry out on its behalf.

The Board has strengthened its compliance procedures during the year. In the educational environment, the Board employs an external consultant to carry out a review of each Trust school during the course of the year. This review is triangulated with the reviews carried out by the central team staff and that carried out by each Local Governing Body. The appointment of a Trust Health and Safety Officer ensures that a termly Health and Safety inspection of each school is carried out during the FY. The result of each inspection is reported to the Local Governing Body and the Trust Audit and Risk Committee. The Board have also committed to the appointment of an external auditor to carry out a programme of internal audit programme across all Trust activities. The Audit and Risk Committee will direct the work programme of the internal auditor.

The Trust Board has also commissioned the Institute of School Business Leaders (ISBL) to deliver integrated financial curriculum and planning training for Trust staff and carry out an integrated financial curriculum and planning review during the autumn term of FY 2018-19.

During the FY 2017-18, the Board commissioned the National Association of Governors (NGA) to carry out an external review of governance that reported back to the Board in July 2018. The review covered all aspects of the Board's governance operation and was informed by the views of the Chairs of the Local Governing Body as well as Trustees. The report made a number of recommendations and the Board have set-up a working party to look at these recommendations. The findings of the working group will inform the direction and structure of the Board's governance efforts over the next three years with the next external review of governance due in FY2020-21.

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 Trust's internal and external financial statements to ensure they reflect best practice, and to review the effectiveness of the Trust'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. The Committee also receives Health and safety reports from the two Health and safety Officers employed by the Trust.

Trustee attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Rout	3	3
Mr J Taylor	2	3
Mr I Baker (Chair)	3	3
Mr F Davey	2	3
Mr P Norton	3	3

The **Finance and Infrastructure Committee** is also a sub-committee of the main Board of Trustees. Its purpose is to review the financial performance at each Trust school to ensure that each school operates its budget within approved limits and in accordance with the Trust Financial Rules and Procedures. The Committee also takes an overview of Trust estate and infrastructure planning.

Trustee attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Rout (Chair)	4	4
Mr J Taylor	4	4
Mr I Baker (Responsible Officer)	3	4
Mr F Davey	4	4
Mr R Margand	2	3
Mr P Norton	4	4

The **HR and Remuneration Committee** is also a sub-committee of the main Board of Trustees. Its purpose is to review the Trust's HR policies and HR activity as well as approving any pay award recommendations.

Trustee attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr R Hill (Chair)	2	3
Mr J Taylor	2	3
Professor J Last	1	1
Mr A Underwood	2	3
Mr P Rout	3	3

SAPIENTIA EDUCATION TRUST

GOVERNANCE STATEMENT (continued)

The **Standards Committee** is also a sub-committee of the main Board of Trustees. Its purpose is to review the Trust's educational performance across all schools and to monitor progress of pupils at all stages of their education.

Trustee attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Ms L Wayman (Chair)	3	3
Mr P Rout	3	3
Mr J Taylor	3	3
Mr R Margand	0	1
Mr P Norton	1	2
Mrs E Soule	1	2
Mr A Underwood	3	3

Review of Value for Money

As Accounting Officer, the CEO 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 Trust Financial Rules and procedures;
- ensuring that the new buildings constructed at Wymondham College have appropriate energy efficiency measures incorporated into the building design; and
- appointing a Trust Contracts and Projects Director with a remit to reduce contract costs across all schools within the Trust and achieve economies of scale.

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 Sapienia Education Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board.

SAPIENTIA EDUCATION TRUST

GOVERNANCE STATEMENT (continued)

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.

As noted above, the Board have appointed an internal auditor for the FY 2018-19. However, during the FY 2017-18 the Board appointed Mr I Baker, a Trustee, as the Responsible Officer 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.

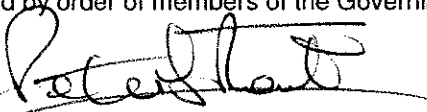
The reviewer reported to the Board, through the audit and risk committee on the operation of the systems of control and on the discharge of the Board's financial responsibilities. The Board have retained the role of Responsible Officer but the remit of the role has changed to reflect the appoint of Internal Auditors for FY 2018-19

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 22/11/2018 and signed on its behalf by:


Peter Boul
Chairman of Board


Jonathan Taylor
Accounting Officer

SAPIENTIA EDUCATION TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Sapienia Education Trust I have considered my responsibility to notify the College Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State. 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 ESFA.



Jonathan Taylor
Accounting Officer

Date:

SAPIENTIA EDUCATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who act as Trustees for charitable purposes of Sapiencia 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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Governing Body on 22/11/2018 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

Opinion

We have audited the financial statements of Sapiencia Education Trust for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SAPIENTIA EDUCATION TRUST (continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 22, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SAPIENTIA EDUCATION TRUST (continued)


Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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


MARK PROCTOR FCA DChA (Senior Statutory Auditor)
For and on behalf of LOVEWELL BLAKE LLP, Statutory Auditor
12/12/18

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 AND SKILLS FUNDING AGENCY

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

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

Respective responsibilities of Sapienia Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Sapienia 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

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 AND SKILLS 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 Trustees 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 ESFA;
- 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 2017 to 31 August 2018 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

12/12/18

Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

SAPIENTIA EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 August 2018
(Including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2018 £000	Total 2017 £000
Income & endowments from:						
Donations & capital grants	2	4	-	2,661	2,665	314
Transfer from local authority on conversion	27	238	(1,111)	18,820	17,947	4,925
Transfer of existing academy joining the academy trust	28	398	(280)	3,296	3,414	-
Charitable activities:						
Funding for the Academy Trust's educational operations	3	64	11,825	-	11,889	7,601
Provision of boarding activities	3, 25	7,135	-	-	7,135	7,186
Teaching schools	26	-	125	-	125	76
Other trading activities	4	254	34	-	288	15
Investments	5	4	-	-	4	-
Total		8,097	10,593	24,777	43,467	20,117
Expenditure on:						
Charitable activities:						
Academy Trust's educational operations	7	140	14,145	1,626	15,911	9,232
Provision of boarding activities	7, 25	6,308	-	-	6,308	7,045
Teaching schools	26	-	84	-	84	72
Total	6	6,448	14,229	1,626	22,303	16,349
Net income / (expenditure)		1,649	(3,636)	23,151	21,164	3,768
Transfers between funds	15	(1,026)	1,026	-	-	-
Other recognised gains / (losses):						
Actuarial gain /(losses) on defined benefit pension schemes	15, 22	-	2,152	-	2,152	2,997
Net movement in funds		623	(458)	23,151	23,316	6,765
Reconciliation of funds						
Total funds brought forward	15	794	(5,073)	34,935	30,656	23,891
Total funds carried forward	15	1,417	(5,531)	58,086	53,972	30,656

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

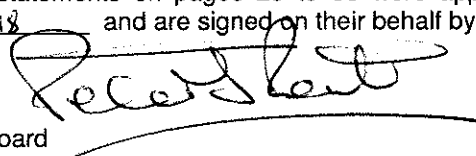
The notes on pages 31 to 58 form part of these financial statements.

SAPIENTIA EDUCATION TRUST**BALANCE SHEET as at 31 August 2018**

	Note	2018 £000	2018 £000	2017 £000
Fixed assets				
Tangible assets	12		55,708	34,692
Current assets				
Debtors	13	730		379
Cash at bank and in hand		<u>6,529</u>		<u>4,068</u>
		7,259		4,447
Liabilities				
Creditors: Amounts falling due within one year	14	<u>3,270</u>		<u>2,986</u>
Net current assets			<u>3,989</u>	<u>1,461</u>
Total assets less current liabilities			59,697	36,153
Defined benefit pension scheme liability	22		<u>(5,725)</u>	<u>(5,497)</u>
Total net assets	16		<u>53,972</u>	<u>30,656</u>
Funds of the multi-academy trust:				
Restricted funds				
Fixed asset fund	15		58,086	34,935
Restricted income fund	15		194	424
Pension reserve	15		<u>(5,725)</u>	<u>(5,497)</u>
Total restricted funds			<u>52,555</u>	<u>29,862</u>
Unrestricted income funds	15		<u>1,417</u>	<u>794</u>
Total funds			<u>53,972</u>	<u>30,656</u>

The financial statements on pages 28 to 58 were approved by the Trustees, and authorised for issue on 22/11/2018 and are signed on their behalf by:

Peter Rout
Chairman of Board



The notes on pages 31 to 58 form part of these financial statements.

SAPIENTIA EDUCATION TRUST

STATEMENT OF CASH FLOWS for the year ended 31 August 2018

	Notes	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by operating activities	18	(148)	488
Cash flows from investing activities	19	<u>2,609</u>	<u>307</u>
Change in cash and cash equivalents in the reporting period		<u>2,461</u>	<u>795</u>
Reconciliation of net cash flow to movement in net funds			
Cash and cash equivalents at 1 September 2017		<u>4,068</u>	<u>3,273</u>
Cash and cash equivalents at 31 August 2018	20	<u>6,529</u>	<u>4,068</u>

The notes on pages 31 to 58 form part of these financial statements.

SAPIENTIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2018

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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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 company 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.

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

Donations

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

Other income

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

SAPIENTIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2018

1. Statement of accounting policies (continued)

c) Income (continued)

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'.

Transfer on conversion

Where assets and liabilities are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust. An equal amount of income is recognised as Transfer on conversion within Donations and capital grant income to the net assets received.

Transfer of existing academies into the academy trust

Where assets and liabilities are received on the transfer of an existing academy into the Trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust. An equal amount of income is recognised for the Transfer of an existing academy into the academy trust within Donations and capital grant income to the net assets required.

Donated fixed assets (excluding Transfers on conversion/into trust)

Where the donated goods are 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.

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 incurred 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.

SAPIENTIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2018

1. Statement of accounting policies (continued)

e) Tangible Fixed Assets (continued)

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
Leasehold property	Over the period of the lease
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.

uA review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the 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.

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) Financial Instruments

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

SAPIENTIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2018

1. Statement of accounting policies (continued)

j) Financial Instruments (continued)

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

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

k) 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.

l) 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 22, the TPS is a multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Local Government Pension Scheme

The LGPS is a funded multi-employer 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.

SAPIENTIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2018

1. Statement of accounting policies (continued)

m) 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 and Skills Funding Agency/Department for Education.

n) 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 22, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

o) Conversion to an Academy Trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis. The assets and liabilities transferred on conversion from Rockland St Mary Primary School, Surlingham Primary School, Great Hockham Primary School, Ghost Hill Infant and Nurse School and Framingham Earl High School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further detail of the transactions is set out in note 26.

p) Transfer of an existing academy to the Academy Trust

The transfer from an existing academy school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis. The assets and liabilities transferred from Stradbroke High School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer of an existing academy joining the academy trust in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further detail of the transactions is set out in note 27.

SAPIENTIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2018

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Capital grants	-	2,661	2,661	314
Other donations	4	-	4	-
	<u>4</u>	<u>2,661</u>	<u>2,665</u>	<u>314</u>

Donations and capital grants amounting to £314k related to restricted funds for the year ended 31 August 2017.

Donations and capital grants include government funding of £2,661k (2017: £314k).

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

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Educational operations				
DfE / ESFA grants				
• General Annual Grant (GAG)	-	10,885	10,885	7,055
• Other DfE/ESFA Grants	39	795	834	446
Other Government grants				
• Local authority grants	-	127	127	51
Other educational income				
• Attleborough High School Link	3	-	3	7
• Exam Re-sit Fees	10	-	10	17
• Teacher Training Income	-	6	6	6
• Supply Teacher Cover Income	-	12	12	-
• 6 th Form facility fees	12	-	12	19
	<u>64</u>	<u>11,825</u>	<u>11,889</u>	<u>7,601</u>
Boarding operations				
Boarding fees	6,641	-	6,641	6,578
Day pupil fees	397	-	397	376
Staff gas and electricity income	8	-	8	5
Interest receivable	10	-	10	9
Rents received	21	-	21	29
Hire of facilities	16	-	16	145
Catering income	39	-	3	43
Miscellaneous income	3	-	3	1
	<u>7,135</u>	<u>-</u>	<u>7,135</u>	<u>7,186</u>
	<u>7,199</u>	<u>11,825</u>	<u>19,024</u>	<u>14,787</u>

Funding for educational operations amounting to £7,601k related to restricted funds for the year ended 31 August 2017.

SAPIENTIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2018

4. OTHER TRADING ACTIVITIES	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Hire of facilities	59	-	59	-
Sales of goods and services	164	-	164	7
School trips and other income	2	34	36	-
Miscellaneous income	29	-	29	9
	<u>254</u>	<u>34</u>	<u>288</u>	<u>16</u>

Income from other trading activities amounting to £nil related to restricted funds for the year ended 31 August 2017.

5. INVESTMENT INCOME	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Short term deposits	4	-	4	-
	<u>4</u>	<u>-</u>	<u>4</u>	<u>-</u>

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

6. EXPENDITURE

	Staff Costs £000	Non Pay Expenditure		Total 2018 £000	Total 2017 £000
		Premises £000	Other £000		
Academy's educational operations (note 7)					
• Direct costs	8,005	1,663	1,004	10,672	6,753
• Allocated support costs	2,593	878	779	4,250	1,742
• FRS102 pension costs	990	-	-	990	736
	<u>11,588</u>	<u>2,541</u>	<u>1,783</u>	<u>15,912</u>	<u>9,231</u>
Academy's boarding operations (note 25)					
• Direct costs	3,657	-	449	4,106	4,931
• Allocated support costs	805	514	883	2,202	2,114
	<u>4,462</u>	<u>514</u>	<u>1,332</u>	<u>6,308</u>	<u>7,045</u>
Teaching School	58	-	26	84	72
	<u>16,108</u>	<u>3,055</u>	<u>3,141</u>	<u>22,304</u>	<u>16,348</u>

Funding for educational operations amounting to £6,397k related to restricted funds for the year ended 31 August 2017.

SAPIENTIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2018

6. EXPENDITURE

Net income/(expenditure) for the period includes:

	2018 £000	2017 £000
Operating lease rentals	292	285
Depreciation	1,104	741
Fees payable to auditor for:		
- Audit	16	11
- other services	9	4
	<u>9</u>	<u>4</u>

Included within expenditure are the following transactions:

	Total £000	Individual items above £5,000 Amount £000	Reason
Unrecoverable debts	14	7	Unrecoverable

7. CHARITABLE ACTIVITIES

		Total 2018 £000	Total 2017 £000
Direct costs – educational operations		10,672	6,753
Direct costs – boarding and catering	25	4,106	4,931
Support costs – educational operations		4,250	1,742
Support costs – boarding and catering	25	2,202	2,114
Teaching schools		84	72
FRS102 Pension costs	22	990	736
		<u>22,304</u>	<u>16,348</u>

Analysis of support costs

	Boarding £000	Educational Operations £000	Total 2018 £000	Total 2017 £000
Support staff costs	805	2,593	3,398	1,659
Premises costs	514	878	1,392	1,039
Other support costs	873	676	1,549	1,023
Governance costs	10	103	113	136
Total support costs	<u>2,202</u>	<u>4,250</u>	<u>6,452</u>	<u>3,857</u>

Governance costs

Legal and professional fees	82	109
Auditor's remuneration	25	16
Governors' reimbursed expenses	6	11
	<u>113</u>	<u>136</u>

Charitable activities amounting to £8,276k related to restricted funds for the year ended 31 August 2017.

SAPIENTIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2018

8. STAFF

a. Staff costs

	Total 2018 £000	Total 2017 £000
Staff costs during the period were:		
Wages and salaries	11,686	8,566
Social security costs	1,029	778
Operating costs of defined benefit pension schemes	2,066	1,526
	<u>14,781</u>	<u>10,870</u>
Supply staff costs	272	200
Staff restructuring costs	6	34
	<u>15,059</u>	<u>11,104</u>
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	6	34
	<u>6</u>	<u>34</u>

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2017: £32k).

c. Staff numbers

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

	2018 No.	2017 No.
Charitable Activities		
Teaching, administration and support	732	452
Catering	33	41
	<u>765</u>	<u>493</u>

d. Higher paid staff

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

	2018 No.	2017 No.
£60,001 - £70,000	1	3
£70,001 - £80,000	2	3
£80,001 - £90,000	4	2
£90,001 - £100,000	2	-
£100,001 - £110,000	1	-
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-

e. 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 £283k (2017: £270k).

SAPIENTIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2018

9. CENTRAL SERVICES

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

- human resources
- financial services
- legal services
- educational support services
- others as arising

The trust charges for these services on the following basis:

- flat percentage of income 4.25%

The actual amounts charged during the year were as follows:

	2018 £000	2017 £000
Wymondham College – includes charges for SET Central Team	874	-
Old Buckenham	32	33
Seething & Mundham	15	-
Burston	10	-
Tivetshall	8	-
Rockland St Mary	13	-
Surlingham	13	-
Great Hockham	14	-
Stradbroke	46	-
Framingham Earl	48	-
	<u>1,073</u>	<u>33</u>

10. 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 CEO and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of CEO and staff members under their contracts of employment.

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

J Taylor (CEO and Trustee)		
Remuneration	£125,000 - £130,000	(2017: £110,000 - £115,000)
Employer's pension contributions	£20,000 - £25,000	(2017: £15,000 - £20,000)

During the period ended 31 August 2018, travel and subsistence expenses totalling £4,408 were reimbursed or paid directly to 1 Trustee (2017: £11,148 to 1 Trustee).

Other related party transactions involving the Trustees are set out in note 23.

11. 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 2018 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 2018

12. TANGIBLE FIXED ASSETS

	Land & buildings £000	Fixtures & fittings, plant & machinery £000	Motor vehicles £000	Total 2018 £000
Cost				
At 1 September 2017	38,793	173	106	39,072
Transfers on conversion	18,758	-	-	18,758
Transfers from academy joining trust	3,296	-	-	3,296
Additions	-	29	37	66
Disposal	-	-	(2)	(2)
At 31 August 2018	60,847	202	141	61,190
Depreciation				
At 1 September 2017	4,234	81	65	4,380
Charged in year	1,052	31	21	1,104
On disposals	-	-	(2)	(2)
At 31 August 2018	5,286	112	84	5,482
Net book values				
At 31 August 2018	55,561	90	57	55,708
At 31 August 2017	34,559	92	41	34,692

13. DEBTORS

	2018 £000	2017 £000
Trade debtors	167	95
VAT recoverable	232	46
Other debtors	36	126
Prepayments and accrued income	294	111
	<u>729</u>	<u>378</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £000	2017 £000
Trade creditors	303	214
Other taxation and social security	558	390
Other creditors	1,823	1,750
Accruals and deferred income	585	637
	<u>3,269</u>	<u>2,991</u>
Deferred income		
	2018 £000	2017 £000
Deferred income at 1 September 2017	65	115
Released from previous years	(65)	(115)
Resources deferred in the year	122	65
Deferred income at 31 August 2018	<u>122</u>	<u>65</u>

Deferred income related to amounts received from ESFA and NCC during 2017/18 relating to 2018/19.

SAPIENTIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2018

15. FUNDS	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains losses and transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG) and other DfE/ESFA grants	323	10,576	(11,901)	1,002	-
MAT Central funding	97	1,282	(1,255)	24	148
Teaching School	4	125	(83)	-	46
Pension reserve	(5,497)	(1,390)	(990)	2,152	(5,725)
	<u>(5,073)</u>	<u>10,593</u>	<u>(14,229)</u>	<u>3,178</u>	<u>(5,531)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	825	2,661	(560)	-	2,926
Transfer on conversion	34,110	18,820	(997)	-	51,933
Transfer on existing academy joining trust	-	3,296	(69)	-	3,227
	<u>34,935</u>	<u>24,777</u>	<u>(1,626)</u>	<u>-</u>	<u>58,086</u>
Total restricted funds	29,862	35,370	(15,855)	3,178	52,555
Unrestricted funds					
General fund	661	7,461	(6,411)	(390)	1,321
Transfer on conversion	-	238	-	(238)	-
Transfer on existing academy joining trust	-	398	-	(398)	-
Fixed asset fund	133	-	(37)	-	96
Total unrestricted funds	794	8,097	(6,448)	(1,026)	1,417
Total funds	30,656	43,467	(22,303)	2,152	53,972

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

GAG & other DfE/ESFA grants: the restricted income fund is for the purpose of specific expenditure within the Trust's declared objectives. DfE/ESFA 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 2018.

MAT funding: this relates to the Sponsor Capacity, Conversion and Teaching and Learning funding from the ESFA.

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/ESFA 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.

SAPIENTIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2018

15. FUNDS

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

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

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains losses and transfers £000	Balance at 31 August 2017 £000
Restricted general funds					
General Annual Grant (GAG) and other DfE/ESFA grants	269	7,362	(7,309)	-	323
MAT Central funding	90	238	(231)	-	97
Teaching school	-	76	(72)	-	4
Pension reserve	(7,057)	(701)	(736)	2,997	(5,497)
	<u>(6,698)</u>	<u>6,975</u>	<u>(8,348)</u>	<u>2,997</u>	<u>(5,073)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	590	314	(79)	-	825
Transfer on conversion	29,373	5,448	(711)	-	34,110
	<u>29,963</u>	<u>5,762</u>	<u>(790)</u>	<u>-</u>	<u>34,935</u>
Total restricted funds	23,265	12,738	(9,138)	2,997	29,862
Unrestricted funds					
General fund	480	7,202	(7,198)	177	661
Transfer on conversion	-	177	-	(177)	-
Fixed asset fund	146	-	(13)	-	133
	<u>626</u>	<u>7,379</u>	<u>(7,211)</u>	<u>-</u>	<u>794</u>
Total unrestricted funds	626	7,379	(7,211)	-	794
Total funds	23,891	20,117	(16,349)	2,997	30,656

SAPIENTIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2018

15. FUNDS

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains losses and transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG) and other DfE/ESFA grants	269	17,939	(19,210)	1,002	-
MAT Central funding	90	1,520	(1,486)	24	148
Teaching school	-	202	(156)	-	46
Pension reserve	(7,057)	(2,092)	(1,725)	5,149	(5,725)
	<u>(6,698)</u>	<u>17,569</u>	<u>(22,577)</u>	<u>6,175</u>	<u>(5,531)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	590	2,975	(639)	-	2,926
Transfer on conversion	29,373	24,268	(1,708)	-	51,933
Transfer on existing academy joining trust	-	3,296	(69)	-	3,227
	<u>29,963</u>	<u>30,539</u>	<u>(2,416)</u>	<u>-</u>	<u>58,086</u>
Total restricted funds	23,265	48,108	(24,993)	6,175	52,555
Unrestricted funds					
General fund	480	14,662	(13,608)	(213)	1,321
Transfer on conversion	-	416	-	(416)	-
Transfer on existing academy joining trust	-	398	-	(398)	-
Fixed asset fund	146	-	(50)	-	96
	<u>626</u>	<u>15,476</u>	<u>(13,658)</u>	<u>(1,027)</u>	<u>1,417</u>
Total unrestricted funds	626	15,476	(13,658)	(1,027)	1,417
Total funds	23,891	63,584	(38,652)	5,149	53,972

SAPIENTIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2018

15. FUNDS

Total funds analysis by academy

Fund balances at 31 August 2018 were allocated as follows:

	2018 £000	2017 £000
Wymondham College	838	875
Old Buckenham	170	115
Seething & Mundham	(7)	28
Burston	53	48
Tivetshall	52	55
Rockland St Mary	71	-
Surlingham	77	-
Great Hockham	54	-
Stradbroke	145	-
Ghost Hill	49	-
Framingham Earl	(39)	-
Central Services	148	97
Total before fixed assets and pension reserve	1,611	1,218
Restricted fixed asset fund	58,086	34,935
Pension reserve	(5,725)	(5,497)
	53,972	30,656

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs (excluding depreciation) £000	Total 2018 £000	Total 2017 £000
Wymondham						
College	4,139	5,348	360	3,548	13,395	13,478
Old Buckenham	545	79	19	120	763	253
Seething & Mundham	297	72	18	33	420	169
Burston	174	32	12	38	256	65
Tivetshall	155	23	4	43	225	51
Rockland St Mary	236	35	8	58	337	-
Surlingham	217	33	8	65	323	-
Great Hockham	272	41	14	36	363	-
Stradbroke	842	246	84	366	1,538	-
Ghost Hill	265	20	8	(5)	288	-
Framingham Earl	863	137	(3)	49	1,046	-
Central Services	988	-	-	267	1,255	231
Total Trust	8,993	6,066	532	4,618	20,209	14,247

SAPIENTIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2018

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2018 are represented by:

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets	96	-	55,612	55,708
Net current assets	1,321	194	2,474	3,989
Pension scheme liability	-	(5,725)	-	(5,725)
Total net assets	1,417	(5,531)	58,086	53,972

Comparative information in respect of the preceeding period is as follows:

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total Funds £000
Tangible fixed assets	133	-	34,559	34,692
Net current assets	661	424	376	1,461
Pension scheme liability	-	(5,497)	-	(5,497)
Total net assets	794	(5,073)	34,935	30,656

17. COMMITMENTS UNDER OPERATING LEASES

Operating leases

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

	2018 £000	2017 £000
Amounts due within one year	-	-
Amounts due between one and five years	552	782
Amounts due after five years	477	-
	1,029	782

SAPIENTIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2018

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

	2018 £000	2017 £000
Net income / (expenditure) for the reporting period (as per the SOFA)	21,164	3,768
Adjusted for:		
Depreciation (note 12)	1,104	741
Loss on disposal		-
Capital grants from DfE/ESFA and other capital income	(2,661)	(314)
Transfer of fixed assets on conversion	(18,758)	(5,392)
Transfer of fixed assets on academy joining trust	(3,296)	-
Interest receivable (notes 3 and 5)	(14)	(10)
Defined benefit pension scheme obligation transferred on conversion	1,390	701
Defined benefit pension scheme cost less contribution payable(note 22)	2,056	1,531
Defined benefit pension scheme finance cost (note 22)	(1,066)	(795)
(Increase) / decrease in debtors	(351)	3
Increase / (decrease) in creditors	284	255
Net cash provided by Operating Activities	(148)	488

19. CASH FLOWS FROM INVESTING ACTIVITIES

	2018 £000	2017 £000
Dividends, interest and rents received from investments	14	10
Purchase of tangible fixed assets	(66)	(17)
Capital grants from DfE/ESFA	2,661	314
Net cash provided by / (used in) investing activities	2,609	307

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 31 August 2018 £000	At 31 August 2017 £000
Cash in hand and at bank	6,529	4,068
Total cash and cash equivalents	6,529	4,068

21. 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 2018

22. 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 of the LGPS 31 March 2016.

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' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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

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

SAPIENTIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2017

22. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

The employer's pension costs paid to the TPS in the period amounted to £904,181 (2017: £559,849).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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 pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £1,355,000 (2017: £1,014,000) of which employer's contributions totalled £1,066,000 (2017: £795,000) and employees' contributions totalled £289,000 (2017: £219,000). The agreed contribution rates for future years range from 5.5% - 12.5% for employees, and 16% for employers.

As described in note 25 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained schools and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

Principal Actuarial Assumptions

Norfolk County Council

	At 31 August 2018 %	At 31 August 2017 %
Rate of increase in salaries	2.7	2.7
Rate of increase for pensions in payment/inflation	2.4	2.4
Discount rate for scheme liabilities	2.8	2.5
Commutation of pensions to lump sums	50% & 75%	50% & 75%

Suffolk County Council

	At 31 August 2018 %	At 31 August 2017 %
Rate of increase in salaries	2.6	2.7
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	2.8	2.5
Commutation of pensions to lump sums	25% & 63%	25% & 63%

SAPIENTIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2018

22. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2013 model assuming the current rate of improvement has reached a peak and will converge to a long term rate 1.25% p.a.. The average future life expectancies at age 65 are summarised below:

Norfolk County Council

	At 31 August 2018	At 31 August 2017
<i>Retiring today</i>		
Males	22.1	22.1
Females (average of schemes with Norfolk County Council)	24.4	24.4
<i>Retiring in 20 years</i>		
Males (average of schemes with Norfolk County Council)	24.1	24.1
Females (average of schemes with Norfolk County Council)	26.4	26.4

Suffolk County Council

	At 31 August 2018	At 31 August 2017
<i>Retiring today</i>		
Males	21.9	21.9
Females	24.4	24.4
<i>Retiring in 20 years</i>		
Males	23.9	23.9
Females	26.4	26.4

Sensitivity analysis

	31 August 2018 £000	31 August 2017 £000
Real discount rate -0.5%	2,785	2,207
Salary increase rate +0.5%	471	422
Pension increase rate +0.5%	2,276	1,747

SAPIENTIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2018

22. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equity instruments	8,342	7,467
Debt instruments	5,398	3,011
Property	1,910	1,325
Cash	461	241
Total market value of assets	16,111	12,044

The actual return on scheme assets was £877,000 (£1,094,000).

Amounts recognised in the Statement of Financial Activities	2018 £000	2017 £000
Current service cost	(823)	(579)
Past service cost	-	-
Interest income	351	207
Interest cost	(518)	(364)
Total operating charge	(990)	(736)

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

	2018 £000	2017 £000
At 1 September 2017	17,541	17,874
On conversion	2,132	-
On existing academy joining the Trust	1,303	-
Current service cost	1,889	1,374
Interest cost	518	364
Employee contributions	289	219
Actuarial (gain)/loss	(1,626)	(2,110)
Benefits paid	(210)	(180)
At 31 August 2018	21,836	17,541

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

	2018 £000	2017 £000
At 1 September 2017	12,044	10,116
On conversion	1,022	-
On existing academy joining the Trust	1,023	-
Interest income	351	207
Actuarial gain	526	887
Employer contributions	1,066	795
Employee contributions	289	219
Estimated benefits paid	(210)	(180)
At 31 August 2018	16,111	12,044

The estimated value of employer contributions for the year ended 31 August 2019 is £1,215,000.

SAPIENTIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2018

23. RELATED PARTY TRANSACTIONS

Owing to the nature of the multi-academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest or individuals to whom trustees are related. All such transactions are conducted in accordance with the requirements of the Academies Financial Handbook and the trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transaction took place during the period:

Expenditure Related Party Transaction

Julie Taylor Associates – wife of the CEO and Trustee, Jonathan Taylor

- The approval of a Free School at Wymondham College is accompanied with funding from the Department for Education to appoint a Project Officer to oversee the project from a Trust perspective.
- Trustees interviewed three prospective candidates for the role of Project Officer and after evaluation of the candidates, they appointed Julie Taylor Associates to carry out this role.
- In entering into this related party transaction, the Trustees ensured that they complied with the requirements of the Academies Financial Handbook and secured written assurance from Mrs Taylor that her services have been provided at 'no more than cost'.
- Total expenditure in the period was £6,710.
- Mr Taylor played no part in the interviews of prospective candidates or in the decision to appoint Mrs Taylor.

No other related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 9.

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 breakfast and after-school clubs at the Primary Schools within the Trust. For the year ended 31 August 2018 the subsidiary company returned a net loss before taxation of £3,777.

Results for the period:

Turnover	£31,389
Expenditure	£35,166
Loss	£3,777
Capital & reserves	£10,604
Aggregate assets & liabilities	£10,604

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 Davey. Full fees were paid and no concessions received.

The CEO and three Trustees received out of pocket expenses during the period totalling £5,909 (2017: CEO and two Trustees £12,363).

24. EVENTS AFTER THE END OF THE REPORTING PERIOD

Old Buckenham High School joined the Multi-Academy Trust on 1 September 2018. Further academies are expected to join during the 18/19 financial year.

SAPIENTIA EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2018

25. ACADEMY BOARDING TRADING ACCOUNT

	£000	2018 £000	£000	2017 £000
Income				
Fee income	7,038		6,954	
Rents received	46		179	
Catering income	38		43	
Other income	<u>13</u>		<u>10</u>	
		<u>7,135</u>		<u>7,186</u>
Expenditure				
Direct costs				
Boarding salaries	3,657		4,299	
Rate of return expenditure	295		433	
Educational consultancy	-		16	
Other direct costs	<u>154</u>		<u>183</u>	
Total direct costs		4,106		4,931
Allocated support costs				
Catering salaries	805		789	
Maintenance of premises and equipment	208		216	
Cleaning	22		27	
Security	2		2	
Rent and rates	99		90	
Energy costs	205		188	
Provisions	734		726	
Transport	(3)		(11)	
Bank charges	7		4	
Advertising, marketing and recruitment	64		68	
Technology costs	-		3	
Other support costs	<u>59</u>		<u>12</u>	
Total support costs		2,202		<u>2,114</u>
Total operating costs		<u>6,308</u>		<u>7,045</u>
Surplus on Boarding and Catering		827		141
Surplus brought forward at 1 September 2017		<u>882</u>		<u>741</u>
Surplus carried forward at 31 August 2018		<u>1,709</u>		<u>882</u>

SAPIENTIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

26. TEACHING SCHOOL TRADING ACCOUNT

	£000	2018 £000	£000	2017 £000
Income				
Direct Income				
Other income	125		76	
Other Income				
Fundraising and other trading activities	—		—	
		<u>125</u>		<u>76</u>
Expenditure				
Direct costs				
Direct staff costs	58		54	
Total direct costs		58		54
Other costs				
Other support costs	26		18	
Total other costs		26		18
Total expenditure		<u>(84)</u>		<u>(72)</u>
Surplus from all sources		41		4
Teaching school balances at 1 September 2017		<u>4</u>		—
Teaching school balances at 31 August 2018		<u>45</u>		<u>4</u>

SAPIENTIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

27. CONVERSION TO AN ACADEMY TRUST

On 1 September 2017 Rockland St Mary Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Sapienia Education Trust from the Norfolk County Council Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations – transfer from local authority on conversion.

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

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
Leasehold land and buildings	-	-	560	560
Budget surplus on LA funds	52	-	11	63
LGPS pension surplus/(deficit)	-	(39)	-	(39)
Net assets	52	(39)	571	584

On 1 September 2017 Surlingham Community Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Sapienia Education Trust from the Norfolk County Council Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations – transfer from local authority on conversion.

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

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
Leasehold land and buildings	-	-	786	786
Budget surplus on LA funds	78	-	27	105
LGPS pension surplus/(deficit)	-	(46)	-	(46)
Net assets	78	(46)	813	845

SAPIENTIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

27. CONVERSION TO AN ACADEMY TRUST (continued)

On 1 November 2017 Great Hockham Primary School and Nursery converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Sapiientia Education Trust from the Norfolk County Council Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations – transfer from local authority on conversion.

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

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
Leasehold land and buildings	-	-	1,378	1,378
Budget surplus on LA funds	53	-	6	59
LGPS pension surplus/(deficit)	-	(111)	-	(111)
Net assets	53	(111)	1,384	1,326

On 1 April 2018 Ghost Hill Infant and Nursery School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Sapiientia Education Trust from the Norfolk County Council Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations – transfer from local authority on conversion.

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

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
Leasehold land and buildings	-	-	3,019	3,019
Budget surplus on LA funds	25	-	(4)	21
LGPS pension surplus/(deficit)	-	(252)	-	(252)
Net assets	25	(252)	3,015	2,788

SAPIENTIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

27. CONVERSION TO AN ACADEMY TRUST (continued)

On 1 May 2018 Framingham Earl High School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Sapienia Education Trust from the Norfolk County Council Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations – transfer from local authority on conversion.

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

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
Leasehold land and buildings	-	-	13,015	13,015
Budget surplus on LA funds	30	-	19	49
LGPS pension surplus/(deficit)	-	(662)	-	(662)
Net assets	30	(662)	13,034	12,402

SAPIENTIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2018

28. EXISTING ACADEMY TRUST JOINING THE MAT

On 1 December 2017 Stradbroke High School, an academy in a single academy trust, moved to Sapientia Education Trust, resulting in the single academy trust becoming inactive. All the operations and assets and liabilities were transferred to Sapientia Education Trust Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations – transfer of existing academy joining the academy trust.

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

	Value reported by transferring trust £000	Fair value adjustments £000	Transfer in recognised £000
Tangible fixed assets			
Leasehold land and buildings	2,423	737	3,160
Plant and machinery	821	(814)	7
Fixtures and fittings	38	90	128
Computer equipment	7	(7)	-
Current assets			
Short term investments	213	-	213
Debtors due within one year	54	-	54
Cash in bank and in hand	252	-	252
Liabilities			
Creditors due within one year	(111)	-	(111)
Creditors due after one year	(9)	-	(9)
Pensions			
Pensions – pension scheme assets	1,023	-	1,023
Pensions – pension scheme liabilities	(1,303)	-	(1,303)
Net assets	3,408	6	3,414