

COMPANY REGISTRATION NUMBER: 08120960 (ENGLAND AND WALES)

WELLSPRING ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

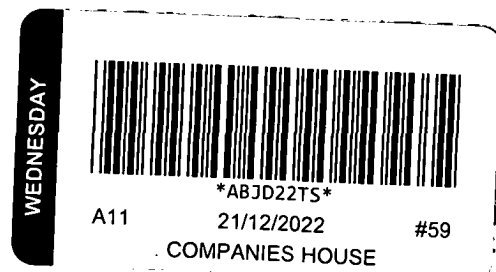
TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022



WELLSPRING

We Make A Difference



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WELLSPRING ACADEMY TRUST

REFERENCE AND ADMINISTRATION DETAILS

Members	Barry Eldred Hearl Lenton Rachel Lofthouse Russell Gill Dianne Murray	(From 25/10/2021) (Until 18/10/2022)
Trustees	Cheryl Hobson Hearl Lenton Gordon Beever Molly Beever Colin Booth OBE Neil Clephan OBE Jennifer Field Stewart Harper Yiannis Koursis Jayne Lawrence Mark Wilson Amarron Frederick	(Chair) (Resigned 02/11/2022) (Resigned 31/03/2022) (Resigned 01/08/2022) (Resigned 30/06/2022) (CEO and Accounting Officer) (Appointed 21/10/2021)
Company Secretary	Mark Wood	
Company Name	Wellspring Academy Trust	
Company Registration Number	08120960 (England and Wales)	
Principal and Registered Office	Digital Media Centre, County Way, Barnsley, South Yorkshire, S70 2JW	
Independent Auditors	Forrester Boyd 139 Eastgate, Louth, Lincolnshire, LN11 9QQ	
Banker	Royal Bank of Scotland plc Church Street, Sheffield, S1 2GF	
Solicitor	Browne Jacobson LLP Mowbray House, Castle Meadow Road, Nottingham, NG2 1BJ	



WELLSPRING ACADEMY TRUST

REFERENCE AND ADMINISTRATION DETAILS

Trust Executive Team

Chief Executive Officer	Mark Wilson
Deputy Chief Executive Officer	Joshua Greaves
Director of Learning	Dave Whitaker
Chief Finance Officer	Mark Wood
Chief Administration Officer	Natalie Hardman

Academy Executive Team

Executive Principal	Samantha Bailey	The Forest Academy Oakwell Rise Academy Oakhill Primary Academy Ebor Gardens Primary Academy Victoria Primary Academy
Executive Principal	Philip Hutchinson	Phoenix Park Academy Sevenhills Academy
Executive Principal	Sarah Wilson	Joseph Norton Academy Greenacre School Springwell Alternative Academy Springwell Special Academy
Executive Principal	Scott Jacques	Springwell Academy Leeds Springwell Academy Harrogate Forest Moor School Penny Field School Green Meadows Academy
Executive Principal	Emma Beveridge	Eastfield Infants and Nursery Academy Lacey Gardens Junior Academy
Executive Principal	Carrie Green	Bramley Park Academy Elements Primary School
Executive Principal	Lisa Ashcroft-Day	Springwell Alternative Academy Spalding Springwell Alternative Academy Grantham Springwell Alternative Academy Lincoln Springwell Alternative Academy Mablethorpe
Principal	Neville Wilkinson	Littlecoates Primary Academy
Executive Principal	Shona Crichton	The Forest School
Principal	Jason Thurley	Beacon Academy
Principal	Steve Bladon	Horncastle Primary Academy

WELLSPRING ACADEMY TRUST

TRUSTEES' REPORT

The Trustees present their Annual Report together with the Financial Statements and Auditor's Report of the Charitable Company for the year 1 September 2021 to 31 August 2022. The Annual Report serves the purposes of both a trustees' report and a directors' report under company law.

Wellspring Academy Trust currently operates twenty-eight academies, across six local authorities, with approximately 5,600 young people in our care, and with 1,780 committed employees.

Academies operated	Location
Beacon Academy	North East Lincolnshire
Phoenix Park Academy	North East Lincolnshire
Sevenhills Academy	North East Lincolnshire
Littlecoates Primary Academy	North East Lincolnshire
Elements Primary School	Leeds
Victoria Primary Academy	Leeds
Ebor Gardens Primary Academy	Leeds
Bramley Park Academy	Leeds
Springwell Academy Leeds	Leeds
Green Meadows Academy	Leeds
Penny Field School	Leeds
Eastfield Infants and Nursery Academy	Lincolnshire
Lacey Gardens Junior Academy	Lincolnshire
Springwell Alternative Academy Grantham	Lincolnshire
Springwell Alternative Academy Lincoln	Lincolnshire
Springwell Alternative Academy Mablethorpe	Lincolnshire
Springwell Alternative Academy Spalding	Lincolnshire
Horncastle Primary School (Converted 1 September 2021)	Lincolnshire
The Forest Academy	Barnsley
Oakhill Primary Academy	Barnsley
Oakwell Rise Primary Academy	Barnsley
Springwell Special Academy	Barnsley
Springwell Alternative Academy	Barnsley
Greenacre School	Barnsley
Joseph Norton Academy	Kirklees
Springwell Harrogate	North Yorkshire
The Forest School	North Yorkshire
Forest Moor School	North Yorkshire

Springwell Alternative Academy Lincoln City was a dormant Academy following the opening of the four new Alternative Academy Free Schools, and has been closed during the year by the DFE on the 14th September 2021.

Coomb Briggs Primary School in Immingham has an Academy Order to convert and join the Trust. Conversion is planned for February 2023.



WELLSPRING ACADEMY TRUST

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The Trust has been successful in bidding for the delivery of three new free schools as follows;

Free School	Opening	Location
Scunthorpe Free School	September 2023	North Lincolnshire
Sheffield Free School	September 2024	Sheffield
Selby Free School	September 2024	North Yorkshire

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of Wellspring Academy Trust are also the Directors of the Charitable Company for the purposes of company law. The Academy Trust is known as Wellspring Academy 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

The Academy Trust maintains Governors' and Officers' liability insurance which gives appropriate cover for any legal action brought against its Governors. The Academy Trust has also granted indemnities to each of its Governors and other Officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 236 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities, which the Governors or other Officers may incur to third parties in the course of acting as Governors or Officers of the Academy Trust.

Details of the insurance cover are provided in note 12 to the Financial Statements.

Method of Recruitment and Appointment or Election of Trustees

As clearly set out in the Articles of Association, the Board of Trustees must consist of a minimum of three Trustees and comprise:

- a) up to two Trustees appointed by the Members,
- b) up to six Trustees appointed by the Sponsor, Barnsley College,
- c) a minimum of two Parent Trustees, unless the Local Governing Bodies include at least two Parent Governors.

The Board may also appoint Trustees to the Board. The total number of Trustees including the CEO who are employees of the Company shall not exceed one third of the total number of Trustees.



WELLSPRING ACADEMY TRUST

TRUSTEES' REPORT

The Board of Trustees has appointed Local Governing Bodies (LGBs) to oversee each Academy within the Trust. The LGBs have delegated powers to oversee the day to day running of the Academies. Each LGB must consist of a minimum of five Governors and comprise;

- a) up to eight Governors appointed by the Board of Trustees,
- b) two staff Governors elected by staff employed at the Academy,
- c) two parent Governors elected by parents of registered pupils at the Academy,
- d) the Principal/Executive Principal of the Academy on an ex officio basis,
- e) the Chief Executive Officer of the Trust or a delegated representative on an ex-officio basis,
- f) any additional Governors which could be requested by the Secretary of State for Education.

Subject to remaining eligible to be a particular type of Trustee or Governor, Trustees and Governors serve a term of office of four years, with the exception of the Chief Executive Officer and Principal/Executive Principal. Trustees and Governors are eligible to be re-elected or re-appointed.

The Trust Board and Local Governing Bodies regularly review their skills and effectiveness and incorporate any actions in their Governance Development Plans. The assessments of effectiveness reflect good practice in respect of guidance provided by the National Governance Association and skills assessments relate to the DfE's Competency Framework.

The Board ensures that there is a robust recruitment and selection process in place in respect of Trustees and Local Governors. Potential Trustees and Governors are interviewed and checks are completed to ensure they are suitable to join the Trust.

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

Newly-appointed Local Governing Body members participate in an induction training programme at the earliest opportunity. Further to this, a broad range of training and development opportunities are available to support Governors in developing their skills and knowledge.

Trustees are also inducted to their role and are encouraged to pursue individual training and development opportunities, in addition to participating in development activities undertaken by the full Board.

All Trustees and Governors are required to submit information for inclusion in a Register of Interests, which is updated on an ongoing basis.

Organisational Structure

The Members of Wellspring Academy Trust have ultimate control over the Trust, with the ability to appoint other Members and Trustees and the right to amend the Trust's Articles of Association. The Members monitor, challenge, and hold the Trustees to account on finance, school improvements, Objects of the Trust and recruitment of schools to the Trust.

The Board sets the strategic direction of the Trust and monitors its performance. It appoints professionals from the public sector, private industry, voluntary sectors and the community, whose knowledge and expertise can make a difference to the lives of children and young people. Trustees work together on the Board in a voluntary capacity to ensure that the Trust meets the needs of the communities it serves.



WELLSPRING ACADEMY TRUST

TRUSTEES' REPORT

The Chief Executive Officer of the Trust is responsible for the day-to-day operation of the Trust and is accountable to the Board.

Management responsibilities are governed by a detailed Scheme of Delegation, which specifies those decisions that are reserved to the Board of Trustees and those delegated to Local Governing Bodies or to Senior Management. Principals/Executive Principals are accountable to their Local Governing Bodies. Where an Academy is categorised

as 'Requires Improvement' or 'Inadequate' the Principal is supported by the Trust's Chief Executive Officer and Director of Learning to ensure that rapid improvements are secured.

The Board has three Committees which act in an advice and scrutiny capacity to the Board to enable informed decisions to be made. These are the Audit & Risk Committee, the Finance & Resources Committee and the Standards Committee. There is also a Governance Working Group which provides advice to the Board regarding governance related matters.

The Terms of Reference of each Committee are reviewed annually by The Board.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Key Management Personnel of the Academy Trust comprise the Trustees and Executive Team as disclosed on pages 1 and 2.

The Executive Remuneration Policy outlines the process and considerations for determining executive remuneration. The Policy was developed and approved by the Board of Trustees and reflects guidance from the Education & Skills Funding Agency and other bodies, such as the National Governance Association. The Policy supplements the Trust's Pay Policy and the Appraisal Policy, which are regularly reviewed by the Trust Board.

The Executive Remuneration Committee makes recommendations to the Trust Board regarding the remuneration of members of the Executive Team.

Executive remuneration is set at an individual level. It is determined with reference to benchmarking, market trends and advice on structuring of incentives. Salaries are linked to factors such as length of service and experience. Total remuneration packages include employer pension contributions at specific approved rates.

Only one Trustee, the Chief Executive Officer, is remunerated, and only receives remuneration in respect of services he provides under his contract of employment, and not in respect of his role as a Trustee. Specific disclosures concerning Staff Trustees' remuneration is included in note 11.

The Board always bears in mind the charitable status of the Academy Trust and recognises the fact the Trust receives funding under a funding agreement with the Secretary of State for Education, and therefore ensures that the remuneration paid to senior management personnel never exceeds a reasonable amount that provides value for money to The Trust. The performance of senior management personnel is reviewed on a regular basis to ensure continuing value for money.

Total remuneration paid to senior management personnel is set out in note 10.



WELLSPRING ACADEMY TRUST

TRUSTEES' REPORT

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the reporting period	Full-time equivalent number
5	4.859

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	4
1% - 50%	1
51% - 99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	£229
Total pay bill	£40.1m
Percentage of total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.0005638%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours, calculated as; (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0%
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Related parties and Other Connected Charities and Organisations

The Trust was established by Barnsley College in 2012. The College continues to actively engage with the Trust and appoints representatives to the Trust Board.

A relationship exists between the Trust and a Community Interest Company (Opening Doors Greenacre CIC). This is a separate legal entity providing holistic opportunities to adults aged 19 to 25 who have an Education Health and Care Plan. The Trust provides staff members on a consultant basis to deliver the provision, for which the Trust invoices the Company. The Trust also levies a management and administration charge, in addition to charges for the use of premises and travel. The company submits an annual report to the Governing Body of Greenacre School detailing its operations for the given year, presented by Trust employees who sit as Board Directors within the Company. No member of Trust staff receives additional income in relation to work within the Company, other than where overtime work is required.

The Trust has also established a Community Interest Company (Spring Ahead) to deliver an agency staffing service to schools across the Trust and to provide a vehicle for other more commercial offerings in the future. This company has not yet commenced trading and hence there have been no transactions between the Trust and the Company.



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The Trust provided Governance support services to White Rose Academy Trust, of which Colin Booth OBE (Trustee) is a Member.

A relationship exists between the Trust and The Forest School Fund, a separate legal Charity set up to advance the education of The Forest School by providing or assisting the provision of education, recreational and other charitable facilities. The Trust received grant funding from The Forest School during the year.

The Trust works in partnership with a growing number of Local Authorities to drive forward change, develop collaborative ways of working and to enhance local opportunities.

Details of connected parties and related party transactions are detailed in note 31.

Engagement with Employees (including disabled persons)

The Trust actively engages with all its employees on an ongoing basis and through the last year has specifically:

- Undertaken the annual Trust-wide employee satisfaction survey, providing subsequent feedback on positive actions taken as a result of employee feedback.
- Maintained a Wellbeing Strategy Group to consider the wellbeing of all staff, with each setting having a designated 'wellbeing champion'.
- Held the annual Trust-wide festival of learning for all staff to actively engage in development and learning opportunities and to gain a broader understanding of the Trust, its achievements and plans for the future.
- Undertaken specific employee engagement and consultation where Academies were going through staffing restructures, including engagement with the appropriate Trade Unions.
- Continued to distribute a weekly letter to all staff.

'People' is a key priority in the Trust's 'Vision 2025' setting out the commitment to all employees in relation to:

- Wellbeing
- Personal and professional development
- Equity and equality
- Effective leadership

Engagement with Suppliers, Customers and Others in a Business Relationship with the Trust

The Trust actively engages with parents of pupils as necessary via the individual Academies. Significant engagement has continued to be undertaken with parents during the ongoing challenges associated with Covid-19 in order to keep them fully apprised of the situation as it developed and changed within individual schools.

The Trust actively engages with Suppliers through the undertaking of appropriate procurement exercises, ongoing contract management processes and partnership engagement.

The Trust has regular commissioning meetings with all six of the Local Authorities it currently works across and considers itself a strategic partner more than a provider of services, working alongside the Local Authorities to consider and develop innovative solutions to meeting need.



WELLSPRING ACADEMY TRUST

TRUSTEES' REPORT

Objectives and Activities

Objects and Aims

The Trust's objects are specifically restricted to the following:

To advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum; or education institutions which are principally concerned with providing education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them; or 16 to 19 Academies offering a curriculum appropriate to the needs of its students; or schools specially organised to make special educational provision for pupils with Special Educational Needs.

To promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances, or for the public at large in the interests of social welfare and with the object of improving the condition of life of said inhabitants.

Vision and Strategy

The Trust is moving into the third year of its current five year strategic plan 'Vision 2025'.

Vision 2025 aims to build on the successes achieved so far by the Trust in furthering its overall aim to make a real difference by raising the expectations and ambitions of every young person in its care and the communities it serves.

The Trust believes that education is the vehicle for improved outcomes for all. The Trust champions inclusive education, stronger communities and improving life chances. The Trust is passionate about its social purpose: to make a difference.

Ethics and values are at the heart of the Trust's culture, taking the harder path many times in order to remain true to its values. The Principals are the custodians of the values in the Academies, trusted to do the job, with support that is tailored, solutions-focussed and responsive.

The Trust's organisational thinking, philosophy of education and way of being, place people and positive relationships at its heart. The Trust invests in its workforce, its children, and its communities.

The Trust is: Ethical; Inclusive; Transparent; Collaborative; Generous; Caring and Courageous.

Objectives

In the first era the Trust grew in scale, reputation, confidence and financial sustainability, from one Academy to a community of twenty-eight, with a broader portfolio of charitable activities that work in complement with the Academies and the wider education system to enhance the lives of young people, their families and communities.

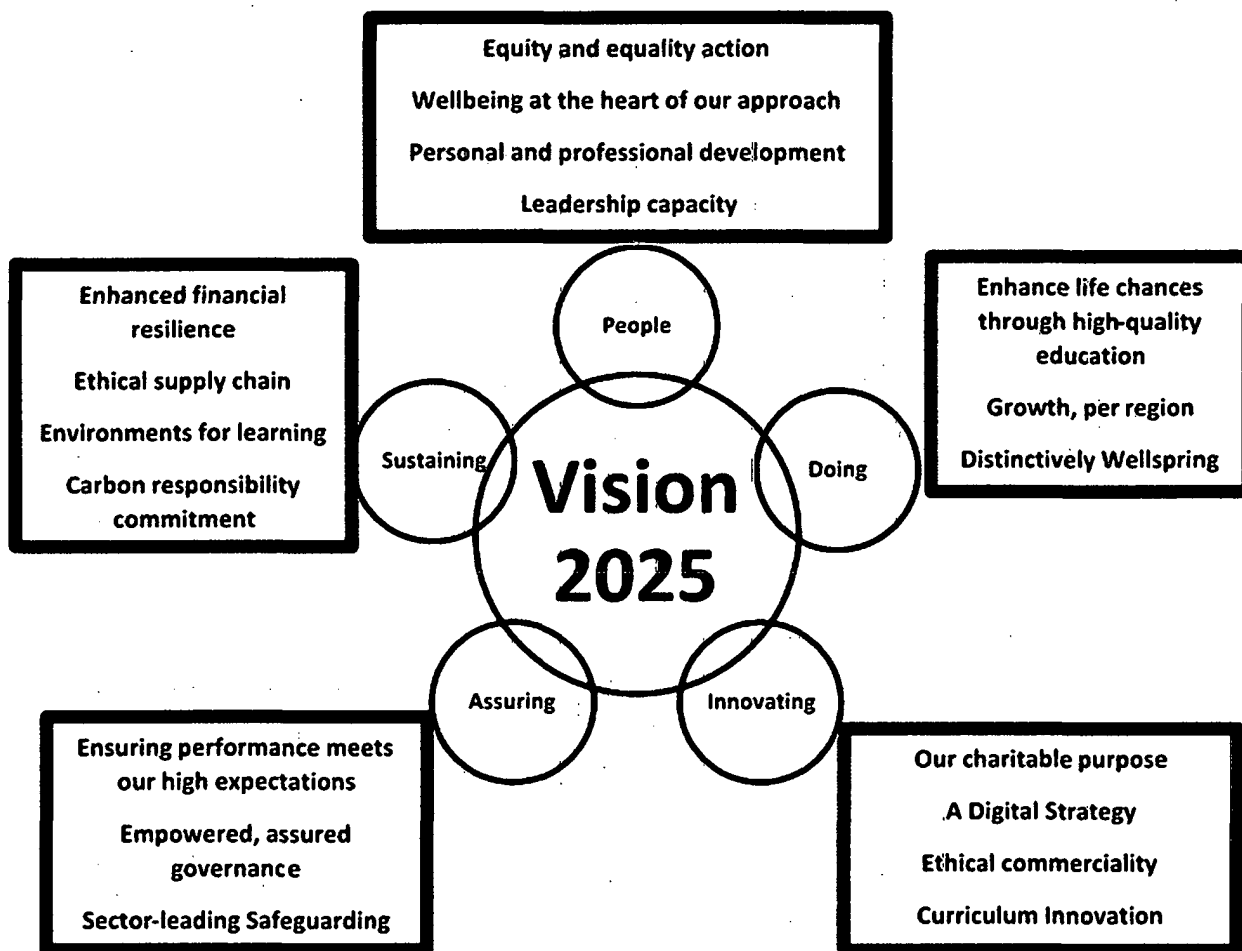
In the second era the Trust aims to build on the successes so far to service a community of sustainably effective and inspirational schools and charitable works in complement to these, to improve lives and thus provide exceptional value



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TRUSTEES' REPORT

for the public purse through Inclusion, Assurance and Inspiration. The Trust will deliver on its Vision 2025 with five strategic priorities, in a way that is distinctively 'Wellspring':



Public Benefit

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties, in particular to its supplementary guidance on advancing education. In setting our objectives and planning our activities the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

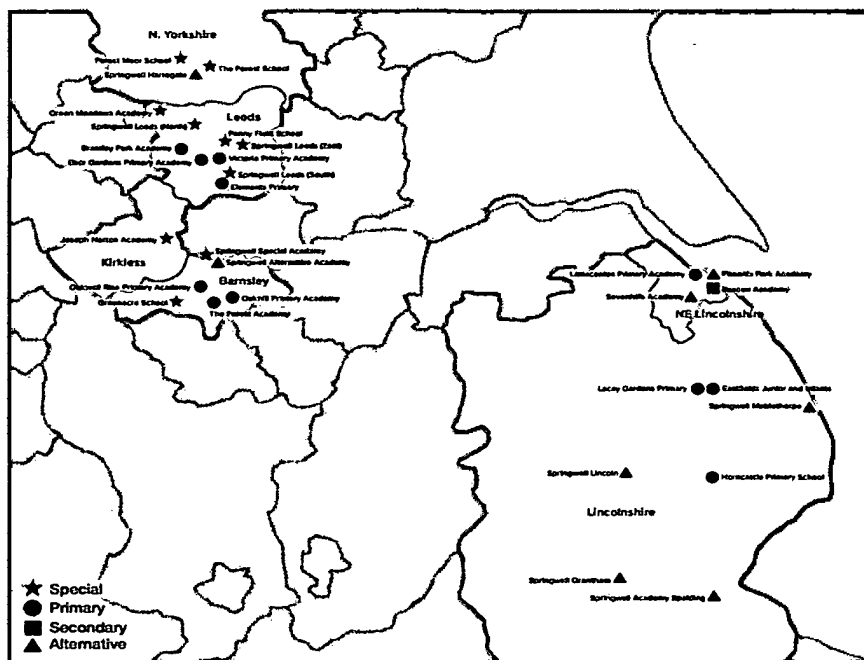
WELLSPRING ACADEMY TRUST

TRUSTEES' REPORT

Strategic Report

Achievements and Performance

Wellspring is currently a community of twenty-eight Academies with a further five in the secure pipeline. It has developed a very robust and flexible support and service delivery model that helps the Trust to curate resilient, effective and successful schools, whether in geographically defined localities or at significant distance from our support hubs. The Trust currently operates in two of the nine government regions with schools distributed as set out below.



The three most recent Ofsted inspections of Wellspring schools all returned verdicts of Good – two direct from previous Special Measures, one from three-times previously Requires Improvement. Of themselves, they are not inconsiderable achievements. Together they add to the Trusts lengthy run of twenty successful Ofsted inspections, with all Trust schools now rated Good or Better under Ofsted. This demonstrates the way our schools are operated, how things are done, the decisions taken, the curriculum offered and the service support provided is proven effective.

The Josie Thirkell Institute of Education has continued to develop, providing centralised coordination and services in support of key aspects of workforce development, leveraging the potential of a professional community at scale, and de-risking some areas of otherwise high risk for schools. The work includes:

- The recruitment and ongoing support and development of trainee and newly qualified teachers
- Josie TV - providing professional development and induction support through live and recorded content created by practitioners, freely available to the entire workforce
- The development and delivery of 'Exceptional Leadership' programmes
- Action research – an active community of practice supported by academic rigour



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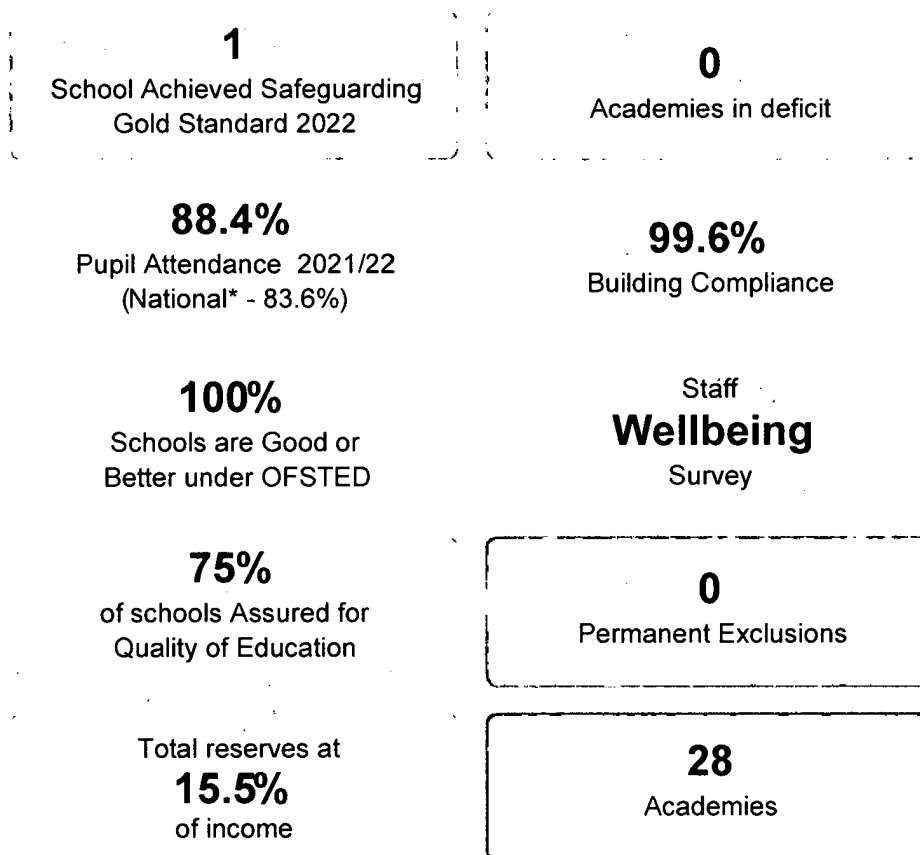
TRUSTEES' REPORT

The Trust is delivering £61.5m of capital investment, including 3 new free schools and the expansion and rebuild of Joseph Norton Academy and Beacon Academy. £46.5m of this is being provided by central government, over £5m invested by our schools direct from their budgets with the rest funded from our capital programme. The Trust has a 125-year responsibility for the schools and their sites, and its commitment to inspirational, fit for purpose, learning environments for children and people working in them is adding substantial value to all areas of our school estate.

The Trust has developed 'Inspiring Places/Greener Spaces' which is additionally targeting focused investment in areas and aspects of our schools that aid the environment and bring quality design, colour, and imagination to our public spaces. These initiatives have been embraced by our school community who understand schools as more than functional utilitarian environments. Communicolor is a key instrument in this agenda, with professional artists creating unique artworks in Wellspring school environments. Around a dozen individual schemes have now been completed. More schemes are either in process, pipeline or planning, all bringing colour, excitement and community pride to our school estate.

Building on the success and achievements against the Trusts Vision 2025 aims and objectives, the Trust has established ten core assurance measures to evaluate the overall impact of work undertaken in progressing those aims and objectives.

Core Assurance Measures





WELLSPRING ACADEMY TRUST

TRUSTEES' REPORT

Going Concern

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

Promoting the Success of the Company

The outcomes achieved clearly demonstrate the success of the company against its charitable objectives, and the future plans set out how future success will be achieved. Performance against plan is reported regularly to the Board, along with future growth opportunities, ensuring all Trustees are fully apprised of all key success criteria for the Trust.

Financial Review

During the period, the Academy Trust grew to include another primary academy. The Trust inherited the assets and liabilities in hand on the date of conversion to academy status. A net donation of £3.4m, which includes a valuation of land and buildings, is included within income in the Statement of Financial Activities, in accordance with the ESFA Accounts Direction.

Fixed assets inherited are included in the Restricted Fixed Asset Fund. All other assets and liabilities, excluding the opening Local Government Pension Scheme position, are shown as a net donation into Unrestricted Funds. The opening Local Government Pension Scheme liability is shown within Restricted Funds.

Most of the Trust's income is obtained from the ESFA in the form of recurrent and capital grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2022 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

During the year ended 31 August 2022, total expenditure of £88.2m was covered by recurrent grant funding from the ESFA, together with other incoming resources and resources held from previous years. The excess of income over expenditure for the year (excluding Restricted Fixed Asset Funds and movement on the Pension Reserve) was £2.7m.

At 31 August 2022, the net book value of tangible fixed assets was £164.4m and movements in tangible fixed assets are shown in note 14 to the Financial Statements. During the period the assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

The Local Government Pension Scheme Reserve deficit has decreased during the year by £50m to £12m. This is as a result of the actuarial valuations at 31 August 2022. This may have an impact on future employers' pension contributions over a period of years.

Ongoing Impact of the Covid-19 Pandemic

The ongoing impact of the pandemic has not adversely impacted on the Trust's Going Concern judgement, and similarly has not had an adverse impact on the Trust financial position.



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The Audit & Risk Committee continue to maintain oversight of the specific Covid-19 risks and mitigations, providing Board oversight on all key aspects of managing the ongoing challenges.

The Trust's Academies have clear plans for effective use of any Covid-19 catch up funding which are shared and evaluated through their Local Governing Bodies.

There is a clear set of response actions established for managing any infection within a school setting (pupils and staff), including liaison with the appropriate local health protection teams.

All settings have up to date risk assessments in place for ensuring adequate control measures are in place. These have been assured by the Trust.

All settings continue to have appropriate arrangements in place for pupils to access enhanced home / virtual learning should the need arise (due to partial / full closure or to support those with health vulnerabilities / self-isolating).

Reserves Policy

The Board of Directors is responsible for managing fluctuations in the overall financial position of the Trust and may hold reserves to further the Trust's charitable aims as required. Funds are received on behalf of the individual Academies within the Trust and are allocated by the Trust in line with the relevant scheme of delegation. Directors are mindful of the Academy Trust Handbook and the requirement that GAG funding should be spent on current pupils, whilst being aware of volatility in the funding of education and the need to manage resources effectively over a longer term period aligned to strategic and operational plans. Trust Academies are expected to set a budget each year using the GAG and other grants reasonably foreseen and to match expenditure to income.

Reserves at the end of each year will be held in support of:

- Contribution to capital projects planned or in development
- Financial commitments made but not yet come to fruition
- Investment in future educational initiatives
- Cash-flow requirement
- Contingency against unforeseen events
- Immediate short-term resource capacity requirements, where there is a proven need.

The policy takes into account the following principles:

- Reserves must have a specific purpose related to future spending or covering current and future risks
- The size of reserves should balance the benefit of current spending with the risks the reserves cover
- They should be transparent and maintain the link with the purposes for which the income was given
- They should ensure that sufficient resources are available so that unexpected events can be accommodated without causing current year problems, leading to deficit or cash-flow issues.

The policy allows for Academies to apply for advance funds from Trust reserves, subject to a business case and agreed repayment schedule, covering the following exceptional circumstances:

- Essential betterment
- Rapid and sustaining school improvement
- Investing to save proposals.



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The policy also enables the Board to prioritise the use of reserves in the event of emergency situations / unforeseen circumstances to address critical operational requirements that would otherwise jeopardise the functioning / sustainability of Academies at Risk or the Trust overall. This was in direct response to emergent pressures resulting from the Covid-19 pandemic.

The value of Unrestricted Funds as at 31 August 2022 is £6.6m and that of Restricted General Funds (excluding pension reserve) is £5.1m.

The collective reserves of £11.7m (note 19) are £6.4m above the target level of reserves of £5.3m per the reserves policy. Of this sum £1.0m relates to committed resources earmarked to be spent in 2022/23 and £1m has been set aside to support Trust targeted school improvement activity. The remainder will be considered alongside individual schools improvement plan priorities and challenges as part of their ongoing operational and financial planning.

As at 31 August 2022 there were no Academies in a deficit position

As at 31 August 2021, there was a deficit balance of (£36,309) on the Reserves Strategy comprising:

- The use of reserves per the above policy, enabling Academies to spread the cost of approved investment in ICT and other Assets over a number of years, as a more cost effective alternative to leasing (£601,693). These sums will be fully charged to the Academies over the next three years.
- A balance of (£934,616) relating to a three year historic pension deficit contribution paid as a single lump sum in 2019/20 in order to benefit from a £103,180 saving. This will be fully charged to the Academies over the next two years.
- Offset by funding of £1,500,000 established through the reserves policy to support school improvement. A large proportion of this is expected to be spent in 2021/22.

This is currently considered to be a more financially beneficial use of reserves, generating cost efficiencies that outweigh the current limited returns that would otherwise be available from investing the funds. A report on the use of reserves in line with current market conditions, is considered by the Board as part of the annual approved budget setting process.

Investment Policy

All surplus funds are currently held in interest bearing accounts and drawn into current accounts as and when needed to meet operational needs. The Trust has an approved investment policy which allows for the investment of surplus cash funds to optimise returns but ensuring that the investment instruments are such that there is no risk to the loss of these cash funds and that consideration is given to the ability to access any such funds should they be needed. The investment objectives are:

- To ensure adequate cash balances are maintained in the current account to cover day to day working capital requirements
- To allow provision for a working balance to meet the needs of any unforeseen events
- To ensure there is no risk of loss in the capital value of any cash funds invested
- To protect the capital value of any invested funds against inflation
- To optimise returns on invested sums.



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As a result of the low level of potential returns available in the market, set against the risk of tying up funding for any length of time, there were no investments undertaken during the reporting period.

The CFO regularly monitors cash-flow and account balances to ensure immediate financial commitments can be met and that the current account has adequate funds to meet forthcoming commitments. Interest rates on potential investments are regularly reviewed and compared with other investment opportunities.

Principal Risks and Uncertainties

The Trust maintains risk registers which identify and monitor the strategic risks of the Trust and the individual Academies. These are reviewed at least annually by the Governing Bodies and Board of Trustees.

The risks to which the Academy Trust is exposed arise both internally and externally. External risks include those in respect of future funding levels, competition, changes to rules and regulations and the financial position of the staff pension schemes.

There is a significant emerging financial challenge arising from unfunded pay increases for teachers and support staff; increasing energy costs; the ongoing impact of inflation on all spend areas and contracts; holiday pay for term time workers; and any future year potential pay increases aligned to the current cost of living challenges. The Trust has commenced a collective review with all school leaders in terms of the collective impact of these challenges and are undertaking a zero-based service and financial planning process to rebase provision and delivery in the context of a significant reduction in available resources. This is being undertaken on a worst-case scenario with an understanding of step-changes back to a best-case scenario in order that actions can be taken appropriate to the actual position as it emerges. The Trust will use its collective reserves to support schools through the transition period to any new delivery model and manage any associated cost of change. The actions being taken demonstrate that the challenges will not have an adverse impact on the going concern position.

The Trust also faces significant risk through external quality assurance, particularly in relation to OFSTED evaluation of individual Academies, and whilst significant work is undertaken to internally evaluate progress of individual Academies through in-depth analysis of data and ongoing assessment against the Trust Assurance Framework this will always remain a key risk.

Ensuring sufficient capacity is maintained as expansion occurs and maintaining the reputation of the Trust represents an ongoing risk which is managed by the Trust.

With the expansion of the Trust significant work has been undertaken around the ongoing management of risk and an identified 'three lines of defence' approach is in place which takes into account:

- Internal control measures
- Internal evaluation and scrutiny measures
- External scrutiny measures.



WELLSPRING ACADEMY TRUST

TRUSTEES' REPORT

Alongside this the Trust has developed an Assurance Framework to evaluate and support senior managers across the Trust in the following key areas:

- Standards
- Administration
- Governance
- Financial Management
- Human Resources
- Business and Operations
- Behaviour and Safety.

Fundraising

The Academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.



WELLSPRING ACADEMY TRUST

TRUSTEES' REPORT

Streamlined Energy and Carbon Reporting

UK Greenhouse Gas Emissions and Energy Use Data	1 September 2021 to 31 August 2022	1 September 2020 to 31 August 2021
Energy consumption used to calculate emissions (kWh)	13,332,476	12,730,522
Energy consumption breakdown (kWh) <ul style="list-style-type: none"> Gas Electricity Transport Fuel 	9,320,200 3,515,888 496,388	9,161,702 3,286,513 282,307
Scope 1 – Emissions in metric tonnes CO ₂ e Gas consumption Owned Transport – Mini Buses Total Scope 1	1,869.77 64.50 1,934.27	1,678.06 38.29 1,716.35
Scope 2 – Emissions in metric tonnes CO ₂ e Purchased Electricity	679.90	697.83
Scope 3 – Emissions in metric tonnes CO ₂ e Business travel in employee owned vehicles	57.08	30.94
Total gross emissions in metric tonnes CO ₂ e	2,671.25	2,445.12
Intensity Ratio Tonnes CO ₂ e per pupil	 0.49	 0.47

The data above shows an increase in CO₂e per pupil. This is inline with expectations given the return to normal ways of working following the Covid19 pandemic and the conversion of more schools into the Trust.

Quantification and Reporting Methodology:

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

Intensity Measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.



WELLSPRING ACADEMY TRUST

TRUSTEES' REPORT

Measures taken to improve energy efficiency

- Use of Digital Hubs in Academies to help manage mileage across the regions.
- Ongoing installation of energy efficient LED lighting as lighting is replaced across the Academies.
- Installation of energy efficient boilers when replaced in line with the multi-year capital programme.
- Move to thermal insulated roofs in some of our Academies.
- Solar panels installed at Beacon Academy.
- Commissioning of Heat Decarbonisation reviews across the Trust's Estate.

Plans for future periods

The Trust is now moving into the third year of its current five Strategic Plan 'Vision 2025'. The aims and objectives remain as set out below.

People

Strategic Objectives

- Equity and equality action
- Wellbeing at the heart of our approach
- Personal and professional development
- Leadership capacity.

Delivery Bases

- Prioritising Wellbeing
- Commitment to Ethical Leadership
- Coaching and mentoring programmes
- Professional development continuum for all our people
- Apprenticeships and Work Placements Strategy
- Challenging the status quo
- Interlaced 'Leadership constellations' per region.

Doing

Strategic Objectives

- Enhance life chances for all through delivery of high-quality education
- Growth in our engagement, influence and impact per region
- A 'Distinctively Wellspring' character.

Delivery Bases

- Relentlessly high ambitions and expectations for all
- Children and Young People at the heart of our provisioning, planning and organisation
- Broadened collaboration with key partners to improve outcomes for children and communities and to influence policy
- The capacity to improve, in advance of demand
- A community of fifty Academies in ten Local Authorities throughout the North and East
- Closer partnerships with Single Academy Trusts and small MATs within our regions
- Making a positive contribution to our communities.



WELLSPRING ACADEMY TRUST

TRUSTEES' REPORT

Innovating

Strategic Objectives

- Using our charitable purpose to improve lives
- A Digital Strategy
- Ethical commerciality
- Support for Curriculum Innovation alongside our Academies.

Delivery Bases

- Supporting ambition in our communities through innovation
- Digital Infrastructure, connectivity, performance and scalability
- High-quality Business Insight; focusing our efforts
- Systems optimisation
- Securing commercial partnerships that deliver added-value (eg; ethical, environmental, community).

Assuring

Strategic Objectives

- Ensuring performance meets our high expectations
- Empowered, assured governance
- Sector-leading safeguarding practices.

Delivery Bases

- Regional Support Hubs and Teams Around the Principal effective and assured
- Assurance infrastructure and real-time performance analysis
- Informed, transparent and ethical governance
- A determination to achieve greater diversity in Governance at all levels
- Safeguarding as a keystone
- Independent audit assurance.

Sustaining

Strategic Objectives

- Enhanced financial resilience
- Transform our environments for learning
- Establish forward focused, ethical supply chains
- Develop and implement our Carbon Responsibility Commitment.

Delivery Bases

- Implementation of revised Medium-Term Financial Strategy (MTFS), underpinned by Academy Development and Business Unit Plans, the latter diversifying our income portfolio.
- Ensure all commissioned activities are contractually sound, underpinned by positive relationships.
- Consult on and implement our Procurement Strategy, targeting value, values, performance, sustainability and compliance.
- In delivering our 2025 Capital and Safety strategies, we will pave the way to 100 year built and natural environment plans.



WELLSPRING ACADEMY TRUST

TRUSTEES' REPORT

Funds Held as Custodian Trustee on Behalf of Others

No funds are held on behalf of others.

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 that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

Forrester Boyd has been re-appointed under section 487(2) of the Companies Act 2006.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the Company Directors, on 14 December 2022 and signed on its behalf by:

Cheryl Hobson
Chair of the Board
14 December 2022

Mark Wilson
CEO and Accounting Officer
14 December 2022



WELLSPRING ACADEMY TRUST

GOVERNANCE STATEMENT

Scope of Responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring that 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 Wellspring Academy Trust and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met six times during the year.

The Academy Trust Handbook requires Boards which meet less frequently than six times a year to describe how the Board has maintained effective oversight of funds. In Wellspring there is a Board Scrutiny Committee whose remit is to focus on finance and resources. The majority of members of the Committee are members of the Trust Board. The Chair is a qualified accountant. The Committee scrutinises financial matters in detail (as indicated later in this section of the report) and provides feedback (supported by Minutes) to each meeting of the Trust Board. In addition to this management accounts are distributed to all Trustees on a monthly basis.

Attendance during the year at meetings of the Board of Trustees was as follows (5 board meetings and 1 strategy meeting):

Board of Directors	Meetings attended	Out of possible
Molly Beever	5	6
Colin Booth	4	6
Jennifer Field	6	6
Amarron Frederick #	3	6
Cheryl Hobson (Chair from 2/11/22)	6	6
Yiannis Koursis	5	6
Jayne Lawrence	4	6
Hearl Lenton (Chair until 2/11/22) #	4	6
Mark Wilson	6	6
Gordon Beever #	1	4
Stewart Harper #	4	5
Neil Clephan #	3	6

Gordon Beever resigned March 2022. Stewart Harper resigned June 2022. Neil Clephan resigned August 2022. Amarron Frederick was appointed October 2021. Hearl Lenton resigned November 2022.



WELLSPRING ACADEMY TRUST

GOVERNANCE STATEMENT

A new Chair of the Board was appointed at the meeting held in November 2022.

The Board conducts annual evaluations of its effectiveness and skills and takes action regarding the outcomes. The Chair of the Board undertakes periodic 'one to one' reviews with Trustees.

As the Trust has matured and its scale has increased, the data and other information provided to the Board, Board Scrutiny Committees and Local Governing Bodies has been subject to ongoing review and enhancement. Termly Local Governing Body Information Packs are distributed, providing data and bench-marking information regarding a wide range of performance indicators. These are produced by the Trust and relate to each Academy, complementing the information and updates provided to the Governing Body by their Academy Leader.

All constitutional documents and arrangements are reviewed in accordance with a review schedule, with the aim of further increasing the range and rigour of information provided throughout the governance structure. Termly reports to the Trust Board outlining progress in respect of the Vision 2025 Strategic Plan are shared, supplemented by progress reports relating to each of the Plan's five strands.

Conflicts of interest

All Directors, Executives and staff in a position of control and influence complete an annual declaration of interest. The Register of Interest is discussed by the Board and published on the Trusts website.

Governance Reviews

The Trust Board and Local Governing Bodies annually review their skills and effectiveness and incorporate any actions in their Governance Development Plans. The assessments of effectiveness reflect good practice in respect of guidance provided by the National Governance Association and skills assessments relate to the DfE's Competency Framework.

The **Finance & Resources Committee** is a committee of the Board of Trustees. Its remit is to ensure sound management of the Trust's finances and resources, including planning, monitoring, probity and value for money. The Committee advises the Board regarding the year-end accounts, strategic matters with financial implications and other key matters and reports to the Board any decisions taken in accordance with the Schemes of Delegation and delegated powers, including in respect of academies' assets and depreciation.

The Finance & Resources Committee met 4 times in the year, in addition to a joint meeting with the Audit & Risk Committee.

Attendance at those meetings was as follows:

Finance & Resources Committee	Meetings attended	Out of possible
Gordon Beever #	2	4
Cheryl Hobson (Chair)	4	5
Jennifer Field	5	5
Yiannis Koursis	4	5
Hearl Lenton *#	1	5
Amarron Frederick #	5	5
Luke Sheriff (co-optee) #	1	2
Matthew Welsh (co-optee)	3	5
Mark Wilson	2	5



WELLSPRING ACADEMY TRUST

GOVERNANCE STATEMENT

* The Chair of the Board attends meetings by exception

Gordon Beever resigned March 2022. Amarron Frederick appointed October 2021. Luke Sheriff appointed March 2022. Earl Lenton resigned November 2022.

The **Audit & Risk Committee** is also a committee of the Board of Trustees. Its remit is to advise the Board and Accounting Officer (the CEO) regarding the adequacy and effectiveness of the Trust's internal controls, risk management, governance and value for money systems and frameworks. The Committee also advises the Board regarding the appointment of auditors and the planned audit approach, as well as considering reports from the internal and external auditors and other bodies and ensuring that actions are taken where required.

The Audit & Risk Committee held 3 meetings in the year, plus a joint meeting with the Finance & Resources Committee.

Attendance at the meetings was as follows:

Audit & Risk Committee	Meetings attended	Out of possible
Stewart Harper (Chair) #	4	4
Cheryl Hobson	4	4
Jayne Lawrence	4	4

Stuart Harper resigned June 2022.

The **Standards Committee** is also a committee of the Board of Trustees. Its remit is to monitor and advise the Board regarding the performance and standards of the Trust's Academies, with reference to a range of matters, including: the quality of the curriculum, key quantitative and qualitative benchmarks, Safeguarding and progress regarding the Academies' Action Plans.

The Standards Committee held 3 meetings in the year. Attendance at the meetings was as follows:

Standards Committee	Meetings attended	Out of possible
Ken Battye (co-optee)	2	3
Molly Beever	3	3
Neil Clephan (Chair) #	3	3
Steven Geraghty (co-optee) #	3	3
Mark Pawson (co-optee) #	1	2
Mark Wilson	3	3

Neil Clephan (Chair) resigned August 2022. Stephen Geraghty resigned September 2022. Mark Pawson resigned March 2022.

Review of Value for Money

As Accounting Officer, the Chief Executive has responsibility for ensuring that the Academy 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.



WELLSPRING ACADEMY TRUST

GOVERNANCE STATEMENT

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

- The centralised procurement team continues to ensure that appropriate procurement processes are being followed across the Trust ensuring value for money on all purchases
- All spend over £2,500 requires a minimum of three quotes
- ICT Support Service contract re-tendered.
- Fixed price consolidated energy contracts put in place in 2019/20 for 3 years are currently saving circa £0.8m against the current market level
- Financial benchmarking continues to be shared across all Academies to assist with future year operational and financial planning.
- Substantial Assurance judgement from internal audit review of Procurement.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 Wellspring Academy Trust for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the Annual Report and Financial Statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

The Academy 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 monthly financial reports which are reviewed and agreed by the Board of Trustees.
- Regular reviews by the Finance & Resources Committee of reports, which indicate financial performance against forecasts and of major purchase plans, capital works and expenditure programmes.
- Setting targets to measure financial and other performance.
- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- Delegation of authority and segregation of duties.
- Identification and management of risks.



WELLSPRING ACADEMY TRUST

GOVERNANCE STATEMENT

The Board of Trustees employed Mazars as Internal Auditors during the year ended 31 August 2022.

The Internal Auditor has delivered their schedule of work as planned. The Internal Audit opinion for the year states “our opinion on the framework of governance, risk management, and control is Significant in its overall adequacy and effectiveness. This opinion is provided on the basis that the framework of governance, risk management and control is adequate and effective”.

The Internal Auditor's role includes giving advice on financial and other matters and performing a range of checks on the Academy Trust's financial and other systems. In particular, the checks carried out in the current period included:

- Core financial systems and processes – Substantial Assurance
- Procurement – Substantial Assurance
- Risk Management – Substantial Assurance
- Cyber Security – Moderate Assurance
- Governance – Moderate Assurance
- Wellbeing – Moderate Assurance

There were no high-level actions identified through any of the audits and all medium/low level actions have been or are in the process of being implemented. These are reviewed at each Audit and Risk Committee meeting.

The Internal Auditor reports to the Board of Trustees, through meetings of the Audit & Risk Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and prepares an annual summary report to the Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider actions and assess year on year progress.

Review of Effectiveness

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

- The work of the Internal Auditor;
- The work of the External Auditor;
- The financial management and governance self-assessment process and the school resource management self-assessment tool;
- The Wellspring Assurance Framework (WAF) evaluation
- The Trust Risk Registers
- Correspondence from ESFA e.g. FNti/Ntl and 'minded to' letters
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework;



WELLSPRING ACADEMY TRUST

GOVERNANCE STATEMENT

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit & Risk Committee and a plan to address recommended changes and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 14 December 2022 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'C. Hobson'.

Cheryl Hobson
Chair of the Board

A handwritten signature in black ink, appearing to read 'Mark Wilson'.

Mark Wilson
CEO and Accounting Officer



WELLSPRING ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Wellspring Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Academy Trust's Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2021.

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.

Mark Wilson
Accounting Officer

14 December 2022



WELLSPRING ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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 2019 and the Academies Accounts Direction 2021 to 2022
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its 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 the ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 14 December 2022 and signed on its behalf

Cheryl Hobson
Chair

Mark Wilson
CEO and Accounting Officer



WELLSPRING ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WELLSPRING ACADEMY TRUST

Opinion

We have audited the financial statements of Wellspring Academy Trust (the 'Academy') for the year ended 31 August 2022, which comprise the Statement of Financial Activities for the year ended 31 August 2022 (including Income and Expenditure Account), Balance Sheet as at 31 August 2022, Statement of Cash Flows for the year ended 31 August 2022, 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs at 31 August 2022 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2021 to 2022.

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 responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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

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

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

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

Other information (covers the Reference and Administrative Details, the Trustees' Report and Strategic Report and the Governance Statement)

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report,



WELLSPRING ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WELLSPRING ACADEMY TRUST

we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 29, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



WELLSPRING ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WELLSPRING ACADEMY TRUST

Auditor's responsibilities for the audit of the financial statements

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

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

- Discussions with management, including consideration of known or suspected instances of non-compliance held.
- Challenging assumptions and judgements made within significant accounting estimates and judgements such as depreciation and the local government pension scheme liability.
- Testing of income, bank, purchases and payroll, systems and controls and providing conclusions on the regularity of samples chosen.
- Identification of key laws and regulations central to the academies operations and review of compliance with such laws including a review of the Academy Trust Handbook 2021 and correspondence with solicitors to identify any on-going litigation.
- Testing of journal entries and potential override of systems

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

Use of our report

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

.....
Adam Millson ACA (Senior Statutory Auditor)
For and on behalf of Forrester Boyd, Statutory Auditor

Waynflete House
139 Eastgate
Louth
Lincolnshire
LN11 9QQ

14 December 2022



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

In accordance with the terms of our engagement letter dated 24 August 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Wellspring Academy Trust during the period 1 September 2021 to 31 August 2022 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 Wellspring Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Wellspring Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Wellspring Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of the Board of Trustees's funding agreement with the Secretary of State for Education dated 30 October 2014 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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



**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
TO WELLSPRING ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING
AGENCY**

The work undertaken to draw to our conclusion includes:

- evaluating the systems and control environment;
- assessing the risk of irregularity, impropriety, and non-compliance;
- confirming the activities of the Academy are in keeping with the academy's framework and the charitable objectives; and
- obtaining representations from the Accounting Officer and Key Management Personnel.

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

A handwritten signature in black ink, appearing to read 'Adam Millson'.

.....
Adam Millson ACA

For and on behalf of Forrester Boyd, Chartered Accountants

Waynflete House
139 Eastgate
Louth
Lincolnshire
LN11 9QQ

14 December 2022



STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2021/22 £000	As Restated Total 2020/21 £000
	Notes	£000	£000	£000		
Income and endowments from:						
Donations and capital grants	2	80	-	3,542	3,622	2,927
Transfer from Local Authority on conversion	32	19	(863)	4,210	3,366	17,937
Other trading activities	4	1,036	-	-	1,036	812
Other income	5	610	188	-	798	449
Investments	6	8	-	-	8	1
Charitable activities:						
- Funding for educational operations	3	-	72,809	-	72,809	63,854
- Teaching School		-	-	-	-	203
Total income and endowments		1,753	72,134	7,752	81,639	86,183
Expenditure on:						
Charitable activities:						
- Educational operations	7/8	377	80,020	7,829	88,226	70,889
- Teaching School		-	-	-	-	205
Total expenditure	7/8	377	80,020	7,829	88,226	71,094
Net income/(expenditure)		1,376	(7,886)	(77)	(6,587)	15,089
Transfers between funds	19	-	(623)	623	-	-
Other recognised (losses)/gains:						
Actuarial (losses)/gains on defined benefit pension schemes	30	-	59,607	-	59,607	(10,824)
Net movement in funds		1,376	51,098	546	53,020	4,265
Reconciliation of funds						
Total funds brought forward		5,262	(58,362)	165,783	112,683	108,418
Total funds carried forward		6,638	(7,264)	166,329	165,703	112,683

The deficit restricted general reserve includes surplus restricted general funds of £5,066k offset by deficit pension reserves of £12,330k. The accompanying notes form part of these financial statements.



WELLSPRING ACADEMY TRUST

BALANCE SHEET AS AT 31 AUGUST 2022

COMPANY NUMBER 08120960

		2022		As Restated 2021	
	Note	£000	£000	£000	£000
Fixed assets					
Intangible assets	13		29		61
Tangible assets	14		164,383		164,083
Current assets					
Stocks	15	21		28	
Debtors	16	2,624		2,989	
Cash at bank and in hand		17,351		13,479	
		19,996		16,496	
Current liabilities					
Creditors: amounts falling due within one year	17	(6,345)		(5,773)	
Net current assets			13,651		10,723
Total assets less current liabilities			178,063		174,867
Creditors: Amounts falling due after more than one year	18		(30)		(60)
Net assets excluding pension liability			178,033		174,807
Defined benefit pension liability	30		(12,330)		(62,124)
Total net assets			165,703		112,683
Funds of the Academy Trust:					
Restricted funds	19				
- Fixed asset fund		166,329		165,783	
- Restricted income fund		5,066		3,762	
- Pension reserve		(12,330)		(62,124)	
Total restricted funds			159,065		107,421
Unrestricted income funds	19		6,638		5,262
Total funds			165,703		112,683

Statement of Total Recognised Gains and Losses

	2022	2021
	£000	£000
Net movement in funds/(deficit) for the year	53,020	4,265
Prior year adjustment	327	
Total gains and losses recognised since last annual report	53,347	



WELLSPRING ACADEMY TRUST

BALANCE SHEET AS AT 31 AUGUST 2022

COMPANY NUMBER 08120960

Prior Year Adjustment

A prior year adjustment is necessary as the income was not recognised in line with the income recognition criteria as listed in the Charities SORP 2019 in the 2021 financial statements. Government grant income of £326,939 was deferred in 2021 and £372,769 in 2020 leaving an overall impact on the 2021 financial statements of £45,830.

The Financial Statements on pages 35 to 68 were approved by the Board of Trustees and authorised for issue on 14 December 2022 and are signed on its behalf by:

Cheryl Hobson
Chair

Mark Wilson
CEO and Accounting Officer



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £000	2021 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	23	4,459	5,947
Cash funds transferred on conversion	32	37	-
		4,496	5,947
Cash flows from investing activities	25	(594)	(924)
Cash flows from financing activities	24	(30)	(30)
Change in cash and cash equivalents in the reporting period		3,872	4,993
Cash and cash equivalents at 1 September 2021		13,479	8,486
Cash and cash equivalents at 31 August 2022	26	17,351	13,479

**NOTES TO THE FINANCIAL STATEMENTS**

1) 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.

Constitution

The Trust is a company limited by guarantee and is an exempt charity incorporated in England & Wales. The charitable company's memorandum and articles of association are the primary governing documents of the Trust.

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), 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 (FRS102) (Charities SORP (FRS102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Wellspring Academy Trust meets the definition of a public benefit entity under FRS102.

Going concern

The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The Trustees have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. After reviewing these forecasts, including the level of grant funding for 2022-23, and changes arising from the current economic climate, the Trustees are of the opinion that, taking account of severe but plausible downsides, the Trust has adequate resources to continue to meet its liabilities over the period of 12 months from the date of approval of the Financial Statements (the going concern assessment period).

The Trust has a long term funding agreement with the Secretary of State for Education made under the Academies Act 2010, and the Secretary of State provides an annual grant to the Trust towards the normal running costs or capital expenditure of each of its Academies, based on projected student numbers. The amount of grant funding is determined annually by the Secretary of State.

Consequently, the Trustees have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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



NOTES TO THE FINANCIAL STATEMENTS

• 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 an entitlement and are not deferred over the life of the asset on which they are expended.

• Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

• Donations

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

• Other income

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

• Donated goods, facilities and services

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

• Transfer on conversion

The Conversion from a state maintained school to an academy involves the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value (derived based on that of equivalent items) and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy 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 Academy 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 Academy 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 acquired.



NOTES TO THE FINANCIAL STATEMENTS

- **Donated fixed assets (excluding transfers on conversion/into the Academy Trust)**

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

On conversion, school properties are transferred from the Local Authority or legacy academies to the Academy Trust for £nil consideration. Such properties are included in the Financial Statements at fair value.

- **Agency Arrangements**

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid, and any balances held are disclosed in note 33.

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 are allocated on the portion of the asset's use.

- **Expenditure on Raising Funds**

This includes all expenditure incurred by the Academy 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 Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Purchased computer software 5 years



NOTES TO THE FINANCIAL STATEMENTS

Tangible Fixed Assets

Assets costing £2,000 or more, or £500 or more for electrical assets, are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold land and buildings	40 years
Leasehold improvements	40 years
Computer equipment	3 years
Fixtures, fittings, & equipment	5 years
Motor vehicles	5 years

No depreciation is provided in respect of freehold land.

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.

Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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.

Provisions

Provisions are recognised when the Academy 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 interest payable and similar charges.

Leased Assets

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



NOTES TO THE FINANCIAL STATEMENTS

Financial Instruments

The Academy Trust only holds basic financial instruments as defined by FRS102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. 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.

Stock

Stock is valued at the lower of cost and net realisable value.

Taxation

The Academy 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 Academy 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.

Pension Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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



NOTES TO THE FINANCIAL STATEMENTS

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy 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 Department for Education (Group).

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 30, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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.

The Academy Trust included properties transferred on conversion at fair value, being recognised in the Statement of Financial Activities in the year of conversion. The Trust engages independent valuation specialists to determine fair value.



NOTES TO THE FINANCIAL STATEMENTS

2) Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
Capital grants	-	3,542	3,542	2,386
Donated fixed assets	-	-	-	489
Other donations	80	-	80	52
	80	3,542	3,622	2,927

Capital grants include:

	2022 £000	2021 £000
DfE Devolved Capital Grants	201	217
DfE School Condition Allocation	1,897	1,422
DfE Strategic School Improvement Capital Budget	1,075	529
DfE Free School Grants	47	68
DfE Environment Improvement Grant	80	40
DfE CIF recovery	-	(49)
RPA Insurance	136	6
Other capital grants	106	153
	3,542	2,386

There were no donations received during the year ended 31 August 2022. During the year ended 31 August 2021 Wellspring Academy Trust received donated ICT equipment from the DfE valued at £489K.



NOTES TO THE FINANCIAL STATEMENTS

3) Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	As Restated Total 2021 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	37,612	37,612	31,990
Other DfE/ESFA grants				
UFSM	-	346	346	272
Pupil Premium	-	3,162	3,162	2,774
Exceptional DfE Funding (Covid-19)	-	710	710	1,094
Other DfE grants	-	1,191	1,191	1,950
	-	43,021	43,021	38,080
Other Government grants				
Local Authority grants	-	29,373	29,373	25,364
Other Government grants	-	221	221	138
	-	29,594	29,594	25,502
Other Grants	-	194	194	272
	-	72,809	72,809	63,854
Teaching School Grant Income				
	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
Other DfE Group Grants	-	-	-	117
Other Government Grants	-	-	-	57
Other Grants	-	-	-	13
	-	-	-	187

From 1 September 2021 official Teaching Schools Status ended for the Trust.

The Master Funding Agreement of the Trust is not subject to the limits on the amount of GAG that it could carry forward at 31 August 2022.

The Trust has continued to receive additional funding in year from Government support schemes in response to the Covid-19 outbreak. The funding is shown above under 'Exceptional DfE Funding'. The funding received covers funding for Mass Testing, Recovery Premium, Tutoring Grant and Vaccination Funding.



NOTES TO THE FINANCIAL STATEMENTS

Other DFE Grants include:

	2022	As Restated 2021
	£000	£000
PE Sports Funding	352	295
Pay and Pension Grants	55	665
Capacity Funding	95	307
Rates Relief	116	119
Conversion Start-up grant	-	285
Free School grant	85	60
Supplementary grant	245	-
Others	243	219
	1,191	1,950

Local Authority Grants include:

	2022	As Restated 2021
	£000	£000
High Needs / SEN Funding	26,111	22,204
Early Years Funding	986	866
SEN Commissioned Services	475	358
Home to School Transport	23	36
LAC Pupil Premium	265	231
Pay and Pension Grants	1,170	1,097
FSM Grants	116	287
Other	227	285
	29,373	25,364

4) Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
Hire of facilities	82	-	82	9
Catering income - Adults	2	-	2	1
Sale of goods or services	590	-	590	446
Supply Teacher Insurance claims	138	-	138	187
Income from ancillary trading activities	224	-	224	169
	1,036	-	1,036	812

5) Other income

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
Catering income -Children	268	-	268	129
Apprenticeship Levy Drawdown	-	188	188	187
Educational Trips and Visits	105	-	105	8
Other Income	237	-	237	125
	610	188	798	449



NOTES TO THE FINANCIAL STATEMENTS

6) Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
Short term deposits	8	-	8	1
	<u>8</u>	<u>-</u>	<u>8</u>	<u>1</u>

7) Expenditure

	Staff Costs £000	Non Pay Premises £000	Expenditure Other £000	Total 2022 £000	Total 2021 £000
Academy's educational operations:					
Direct costs	49,465	-	6,055	55,520	46,315
Allocated support costs	16,128	8,562	8,016	32,706	24,574
Teaching School	-	-	-	-	205
	<u>65,593</u>	<u>8,562</u>	<u>14,071</u>	<u>88,226</u>	<u>71,094</u>

Net income/(expenditure) for the period includes:

	Total 2022 £000	Total 2021 £000
Operating lease rentals	323	357
Depreciation of tangible fixed assets	5,694	5,120
Loss on disposals of fixed assets *	2,340	264
Amortisation of intangible fixed assets (included within Charitable Activities – Academy Trust educational operations)	34	62
Fees payable to auditor for:		
- Audit of Financial Statements	34	36
- Internal Audit services	25	30
- Other assurance services	1	4

* Loss on disposal of fixed assets - Individual items above £5,000 are detailed below;

	Amount	Reason
Leasehold Buildings	£2,207,587	On 14 September 2021 Springwell Lincoln City Academy was closed and the building handed back to the LA for £nil consideration. This was treated as a disposal in the Fixed Asset registers.
Leasehold Improvements	£130,498	
	<u>£2,230</u>	
	<u>£2,340,315</u>	Total loss on disposal of fixed assets



NOTES TO THE FINANCIAL STATEMENTS

8) Charitable activities

	Total 2022 £000	Total 2021 £000
Direct costs – educational operations	55,520	46,315
Support costs – educational operations	32,706	24,574
	88,226	70,889
Analysis of support costs (educational operations)	Total 2022 £000	Total 2021 £000
Support staff cost	16,128	12,316
Depreciation and amortisation	4,013	3,561
Loss on disposal of tangible fixed assets	2,340	87
Loss on disposal of intangible fixed assets	-	177
Technology costs	927	743
Premises costs	4,549	3,556
Professional fees	94	146
Legal Fees – Conversion	-	33
Legal Fees – Employment Matters	50	81
Legal Fees – Other	3	46
Governance cost	60	70
Other support costs	4,542	3,758
Total support costs	32,706	24,574

9) Central Services

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

- Educational support services
- Finance and procurement support
- Governance support
- School improvement support
- Project and capital project support
- Others as arising

The Academy Trust charges for these services at a flat rate of 5% of the base per pupil funding, totalling £1,980k in the year ended 31 August 2022 (2021: £1,630k).

Additional charges were made to Academies for the provision of HR, Payroll, Finance, Procurement and Premises management following centralisation of these functions in July 2018, making significant efficiencies and savings across the Trust. Charges vary dependent upon the cost of delivery to each Academy and totalled £2,190k in year ended 31 August 2022 (2021: £1,837k).



NOTES TO THE FINANCIAL STATEMENTS

	Total 2022 £000	Total 2021 £000
Total actual amounts charged during the year were as follows:		
Beacon Academy	295	338
Bramley Park Academy	144	142
Eastfield Infants and Nursery Academy	149	121
Ebor Gardens Primary Academy	158	162
Elements Primary School	126	103
Forest Moor School	119	21
The Forest Academy	130	87
Greenacre School	288	272
Green Meadows Academy	216	74
Horncastle Primary School (joined 1.9.21)	175	-
Joseph Norton Academy	68	64
Lacey Gardens Junior Academy	149	189
Littlecoates Primary Academy	115	127
Oakhill Primary Academy	116	72
Oakwell Rise Primary Academy	116	63
Penny Field School	100	30
Phoenix Park Academy and Sevenhills Academy	240	242
Positive Regard Teaching School Alliance	-	15
Springwell Alternative Academy and Springwell Special Academy	196	183
Springwell Leeds Academy	533	505
Springwell Lincolnshire Academies	362	368
Victoria Primary Academy	158	156
The Forest School	164	103
Springwell Harrogate	53	30
	4,170	3,467

10) Staff

a. Staff costs	Total	Total
Staff costs during the period were:	2022	2021
	£000	£000
Wages and salaries	42,458	36,512
Social security costs	4,081	3,400
Pension costs	15,883	12,030
	62,422	51,942
Agency staff costs	3,171	1,601
Staff restructuring costs	-	494
	3,171	2,095
Total staff costs	65,593	54,037
Staff restructuring costs comprise:	2022	2021
	£000	£000
Redundancy payments	-	415
Severance payments	-	79
	-	494



NOTES TO THE FINANCIAL STATEMENTS

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

During the year the Trust agreed settlement terms with 6 members of staff totalling £89,856 (2021: 5 members of staff totalling £89,103). In all cases these agreements were subject to scrutiny and approved on the basis they represented best value for the Trust and hence secured effective use of public funding, and wherever possible the agreements were restricted to the statutory sums the employee would have been entitled to. Individually, payments were made in the following bands;

£0 to £25,000	5
£25,001 to £50,000	1

The above severance payments were not made as a result of restructuring therefore not included in Staff Restructuring Costs.

c. Staff numbers

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

	2022 Number	2021 Number
Teachers	489	426
Administration and support	1,334	1,206
Management	19	19
	1,842	1,651

d. Higher paid staff

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

	2022 Number	2021 Number
£60,001 - £70,000	18	12
£70,001 - £80,000	9	7
£80,001 - £90,000	5	5
£90,001 - £100,000	3	3
£100,001 - £110,000	-	2
£110,001 - £120,000	-	1
£120,001 - £130,000	5	2
£170,001 - £180,000	-	-
£180,001 - £190,000	-	1
£190,001 - £200,000	1	-

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the Trust Executive Team as listed on page 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel (including the Executive Principals) for their services to the Academy Trust was £2,331,663 (2021: £2,328,582).



NOTES TO THE FINANCIAL STATEMENTS

11) Related Party Transactions – Trustees' remuneration and expenses

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

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

M Wilson (Chief Executive Officer and Director):

Remuneration £190,001 - £195,000 (2021: £185,001 - £190,000)

Employer's pension contributions paid £25,001 - £30,000 (2021: £25,001 - £30,000)

During the year ended 31 August 2022, travel and subsistence expenses totalling £1,315 were reimbursed or paid directly to two Trustees (2021: £281 to one Trustee).

Other related party transactions involving the Trustees are set out in note 31.

12) Trustee and officers insurance

In accordance with normal commercial practice, the Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business and provides cover up to £10,000,000. It is not possible to quantify the Trustees' and officers' indemnity element from the overall cost of the RPA scheme membership.

13) Intangible fixed Assets

	Computer Software £000	2021/22 Total £000
Cost		
At 1 September 2021	250	250
Additions	2	2
Disposals	(9)	(9)
At 31 August 2022	243	243
Amortisation		
At 1 September 2021	189	189
Charge for the year	34	34
Disposals	(9)	(9)
At 31 August 2022	214	214
Net book value		
At 31 August 2021	61	61
At 31 August 2022	29	29



NOTES TO THE FINANCIAL STATEMENTS

14) Tangible fixed Assets

	Leasehold Land and Buildings	Leasehold Improvements	Computer Equipment	Fixtures, Fittings, and Equipment	Motor Vehicles	2021/22 Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 September 2021	168,472	4,932	4,728	3,607	322	182,061
Additions	4,192	3,410	344	348	48	8,342
Transfer on conversion	-	-	-	-	-	-
Disposals	(2,500)	(146)	(33)	(13)	(24)	(2,716)
At 31 August 2022	170,164	8,196	5,039	3,942	346	187,687
Depreciation						
At 1 September 2021	13,100	195	2,974	1,652	57	17,978
Charge for the year	3,830	148	960	691	65	5,694
Disposals	(292)	(15)	(33)	(13)	(15)	(368)
At 31 August 2022	16,638	328	3,901	2,330	107	23,304
Net book value						
At 31 August 2021	155,372	4,737	1,754	1,955	265	164,083
At 31 August 2022	153,526	7,868	1,138	1,612	239	164,383

Included in Leasehold Land and Buildings is an amount of £17,572k (2021: £17,498k) in respect of land which is not depreciated.

Twenty four Academies within the Trust occupies the land and buildings on a 125 year lease from the Local Authority. The valuations of land and buildings transferred on conversion were performed by LeaHough (MRICS Registered Valuer) in August 2022 and August 2021 respectively. In the opinion of the Trustees, the resulting valuations, which were carried out on a depreciated replacement cost basis, are appropriate for the inclusion in the accounts.

Two Academies within the Trust occupies the land under a Private Finance Initiative (PFI) agreement which passed from the Local Authority on a 50 year lease on conversion to an Academy Trust. The land and buildings occupied under the PFI agreement have been recognised within the tangible fixed assets on the balance sheet of Wellspring Academy Trust as the Trust is in belief that the economic benefit of the land and buildings has been transferred to the Trust.

15) Stock

	Total 2022 £000	Total 2021 £000
Educational resources and supplies	21	28
	21	28



NOTES TO THE FINANCIAL STATEMENTS

16) Debtors

	Total 2022 £000	Total 2021 £000
Trade debtors	344	318
VAT recoverable	408	653
Other debtors	10	16
Prepayments and accrued income	1,862	2,002
	2,624	2,989

17) Creditors: amounts falling due within one year

	Total 2022 £000	As Restated Total 2021 £000
Trade creditors	1,237	1,863
Other taxation and social security	871	809
Other creditors	969	906
DFE cash-flow loan (see below)	30	30
Accruals and deferred income	3,238	2,165
	6,345	5,773

	Total 2022 £000	As Restated Total 2021 £000
Deferred income at 1 September 2021	279	1,427
Released from previous years	(279)	(1,427)
Resources deferred in the year	160	279
Deferred income at 31 August 2022	160	279

Included in deferred income are amounts received in advance from the Local Authorities and the ESFA for Early Years & High Needs funding, Capital Grants and other pupil related income.

18) Creditors: amounts falling due after more than one year

	Total 2022 £000	Total 2021 £000
Loans	30	60
	30	60

Interest free loan of £120k from the Department of Education. Balance to be repaid as follows:

	2022 £000	2021 £000
Repayments within one year	30	30
Repayments between two and five years	30	60
	60	90



NOTES TO THE FINANCIAL STATEMENTS

19) Funds

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2022 £000
Restricted general funds					
General Annual Grant (GAG)	3,030	37,612	(35,521)	(623)	4,498
UIFSM	166	346	(320)	-	192
Pupil Premium	-	3,162	(3,162)	-	-
Other DfE grants	423	1,901	(2,198)	-	126
Other Government grants	123	29,594	(29,495)	-	222
Other restricted funds	20	382	(374)	-	28
Pension reserve	(62,124)	(863)	(8,950)	59,607	(12,330)
	(58,362)	72,134	(80,020)	58,984	(7,264)
Restricted fixed asset funds					
Transfer on conversion	155,432	4,210	(6,047)	(18)	153,577
Donated assets	419	-	(161)	-	258
DfE capital grants	1,629	3,436	(3,355)	198	1,908
Other Government grants	10	-	-	-	10
Other grants	-	106	(106)	-	-
Capital expenditure from GAG	8,293		1,840	443	10,576
	165,783	7,752	(7,829)	623	166,329
Total restricted funds	107,421	79,886	(87,849)	59,607	159,065
Total unrestricted funds	5,262	1,753	(377)	-	6,638
Total funds	112,683	81,639	(88,226)	59,607	165,703

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

- Restricted general funds must be used for the normal running costs of the Trust. In line with the Master Funding Agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.
- Restricted fixed asset funds are used solely for capital purposes in line with the strategic objectives of the Trust.
- Unrestricted funds will be used towards meeting the charitable objectives of the Trust at the discretion of the Trustees.
- Funds transfers relate to the pension scheme movements during the period, fixed assets purchased from unrestricted funds and recurrent expenditure purchased from non-GAG funding.



NOTES TO THE FINANCIAL STATEMENTS

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

	Balance at 1 September 2020 £000	Income £000	As Restated Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2021 £000
Restricted general funds					
General Annual Grant (GAG)	-	31,990	(28,385)	(575)	3,030
UIFSM	183	272	(289)	-	166
Pupil Premium	-	2,774	(2,774)	-	-
Other DfE grants	25	3,044	(2,646)	-	423
Other DfE Group grants	-	117	(117)	-	-
Other Government grants	192	25,559	(25,628)	-	123
Other restricted funds	44	472	(496)	-	20
Pension reserve	(45,312)	-	(5,988)	(10,824)	(62,124)
	(44,868)	64,228	(66,323)	(11,399)	(58,362)
Restricted fixed asset funds					
Transfer on conversion	146,401	17,937	(8,906)	-	155,432
Donated assets	-	489	(70)	-	419
DfE capital grants	779	2,233	(1,644)	261	1,629
Other Government grants	17	-	(7)	-	10
Other grants	-	153	(153)	-	-
Capital expenditure from GAG	1,451	-	6,528	314	8,293
	148,648	20,812	(4,252)	575	165,783
Total restricted funds	103,780	85,040	(70,575)	(10,824)	107,421
Total unrestricted funds	4,638	1,143	(519)	-	5,262
Total funds	108,418	86,183	(71,094)	(10,824)	112,683



NOTES TO THE FINANCIAL STATEMENTS

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:	As Restated	
	Total 2022 £000	Total 2021 £000
Beacon Academy	403	231
Bramley Park Academy	196	106
Eastfield Infants and Nursery Academy	235	179
Ebor Gardens Primary Academy	214	147
Elements Primary School	214	153
The Forest Academy	163	89
Forest Moor School	19	1
Greenacre School	1,334	1,205
Green Meadows Academy	81	36
Horncastle Primary School (Joined 1.9.22)	136	-
Joseph Norton Academy	693	571
Lacey Gardens Junior Academy	235	153
Littlecoates Primary Academy	161	152
Oakhill Primary Academy	164	88
Oakwell Rise Primary Academy	164	88
Penny Field School	80	16
Phoenix Park Academy	564	363
Positive Regard Teaching School Alliance	-	119
Sevenhills Academy	564	364
Springwell Alternative Academy	606	511
Springwell Special Academy	605	511
Springwell Leeds Academy	996	777
Springwell Lincoln City Academy (closed 14 September 2021)	-	-
Victoria Primary Academy	215	147
Springwell Alternative Academy – Lincoln	372	302
Springwell Alternative Academy – Mablethorpe	371	301
Springwell Alternative Academy – Grantham	371	301
Springwell Alternative Academy – Spalding	372	302
The Forest School	453	386
Springwell Harrogate	236	170
Central Services	1,251	1,291
Reserves Strategy	236	(36)
Total funds before fixed assets and pension reserves	11,704	9,024
Restricted fixed assets	166,329	165,783
Pension reserves	(12,330)	(62,124)
Total funds	165,703	112,683

The Trust maintains a separate reserves strategy which had a surplus balance of £236k as at the 31 August 2022 (2021: £36K deficit). This account represents the use of Trust reserves per the approved policy, enabling Academies to spread the cost of significant investment over a number of years.



NOTES TO THE FINANCIAL STATEMENTS

Total cost analysis per academy

	Teaching & Educational Support Staff Costs £000	Other Support Staff Costs £000	Education supplies £000	Other Costs* £000	Total 2022 £000	Total 2021 £000
Beacon Academy	2,480	243	326	462	3,511	3,065
Bramley Park Academy	1,288	69	208	292	1,857	1,834
Central Services	589	3,719	168	816	5,292	4,802
Lacey Gardens / Eastfield Infants	2,739	258	245	410	3,652	3,499
Ebor Gardens & Victoria Primary	3,158	227	452	657	4,494	4,390
Elements Primary School	810	51	148	280	1,289	934
The Forest Academy, Oakhill Primary Academy and Oakwell Rise Primary Academy	3,300	284	389	595	4,568	4,276
Greenacre School	5,466	956	215	855	7,492	6,934
Joseph Norton Academy	1,842	173	161	310	2,486	2,249
Littlecoates Primary Academy	925	71	80	161	1,237	1,121
Phoenix Park/Sevenhills Academy	2,382	249	152	318	3,101	3,015
Positive Regard Teaching School	-	-	-	-	-	205
Springwell AP & Special Academy	2,957	606	170	550	4,283	4,035
Springwell Leeds Academy	7,447	454	402	1,226	9,529	9,311
Springwell Lincolnshire Academies	4,170	269	332	556	5,327	4,858
The Forest School	1,892	170	172	371	2,605	2,450
Springwell Harrogate	388	26	37	90	541	845
Penny Field School	1,307	59	52	190	1,608	450
Green Meadows Academy	3,104	111	304	309	3,828	1,121
Forest Moor School	1,425	113	209	380	2,127	266
Horncastle Primary Academy	1,796	152	116	317	2,381	-
Total	49,465	8,260	4,338	9,145	71,208	59,660

Costs not attributable totalled £nil (2021 £nil)

* Other costs exclude depreciation, amortisation, loss on disposal of fixed assets and pension reserve.



NOTES TO THE FINANCIAL STATEMENTS

20) Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds 2022
	£000	£000	£000	£000
Intangible fixed assets	-	-	29	29
Tangible fixed assets	-	-	164,383	164,383
Current assets	6,638	11,441	1,917	19,996
Current liabilities	-	(6,345)	-	(6,345)
Non-current liabilities	-	(30)	-	(30)
Pension scheme liability	-	(12,330)	-	(12,330)
Total net assets	6,638	(7,264)	166,329	165,703

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

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	As Restated Total Funds 2021
	£000	£000	£000	£000
Intangible fixed assets	-	-	61	61
Tangible fixed assets	-	-	164,083	164,083
Current assets	5,262	9,595	1,639	16,496
Current liabilities	-	(5,773)	-	(5,773)
Non-current liabilities	-	(60)	-	(60)
Pension scheme liability	-	(62,124)	-	(62,124)
Total net assets	5,262	(58,362)	165,783	112,683

21) Capital commitments

	2022 £000	2021 £000
Contracted for, but not provided in the financial statements	395	1,455
	395	1,455

22) Commitments under operating leases

At 31 August 2022 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £000	2021 £000
Amounts due within one year	153	219
Amounts due between one and five years	275	198
Amounts due after five years	19	-
	447	417



NOTES TO THE FINANCIAL STATEMENTS

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

	2022	As Restated 2021
	£000	£000
Net income/(expenditure) for the reporting period (as per the SOFA)	53,020	4,265
Adjusted for:		
Amortisation [note 13]	34	62
Depreciation [note 14]	5,694	5,120
Loss on disposal of fixed assets	2,340	264
Donated assets	-	(489)
Capital grants from DfE and other capital income	(3,542)	(2,386)
Interest receivable	(8)	(1)
Net deficit/(surplus) transferred on conversion	(4,229)	(17,937)
Defined benefit pension scheme obligation inherited [note 32]	863	-
Defined benefit pension scheme (gain)/cost less contributions payable [note 30]	(49,819)	17,432
Defined benefit pension scheme finance (income)/cost [note 30]	(838)	(620)
(Increase)/decrease in stocks	7	8
(Increase)/decrease in debtors	365	71
Increase/(decrease) in creditors	572	158
Net cash provided by / (used in) Operating Activities	4,459	5,947

24) Cash flows from financing activities

	2022	2021
	£000	£000
Repayment of borrowing (DfE Loan)	(30)	(30)
Cash inflows from new borrowing	-	-
Net cash provided by / (used in) financing activities	(30)	(30)

25) Cash flows from investing activities

	2022	2021
	£000	£000
Dividends, interest and rents from investments	8	1
Proceeds from sale of tangible fixed assets	8	3
Purchase of intangible fixed assets	(2)	(21)
Purchase of tangible fixed assets	(4,150)	(3,293)
Capital grants from DfE Group	3,300	2,227
Capital funding received from others	242	159
Net cash provided by / (used in) investing activities	(594)	(924)

26) Analysis of cash and cash equivalents

	2022	2021
	£000	£000
Cash in hand and at bank	17,351	13,479
Total cash and cash equivalents	17,351	13,479



NOTES TO THE FINANCIAL STATEMENTS

27) Analysis of Changes in Net Debt

	September 2021 £000	Cash Flows £000	Subsidiaries £000	Finance Lease 000	Non-cash Changes £000	August 2022 £000
Cash	13,479	3,872	-	-	-	17,351
Cash Equivalents	-	-	-	-	-	-
Overdraft Facility	-	-	-	-	-	-
	13,479	3,872	-	-	-	17,351
Loans falling within 1 Year	(30)	30	-	-	(30)	(30)
Loans falling after 1 Year	(60)	-	-	-	30	(30)
Finance Lease Obligations	-	-	-	-	-	-
	13,389	3,902	-	-	-	17,291

28) Contingent liabilities

There is a potential liability for Wellspring Academy Trust relating to claims made by and on behalf of term-time only employees who allege that they have not been paid the correct amount of holiday pay following the Supreme Court decision on the Brazel vs. Harpur Trust case. There is limited legal precedent on calculating settlement figures therefore the Academy Trust are unable to reliably quantify the financial impact.

29) 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 or 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.



NOTES TO THE FINANCIAL STATEMENTS

30) Pension and similar obligations

The Academy 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. The latter of which is managed by East Riding Pensions Agency, Lincolnshire Pension Agency, South Yorkshire Pensions Agency, West Yorkshire Pensions Agency, and North Yorkshire Pensions Agency. All are multi-employer defined benefit schemes.

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

At 31 August 2022 £909k contributions were outstanding to the schemes and are included in creditors (2021: £841k).

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £4,544,957 (2021: £3,904,438).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.



NOTES TO THE FINANCIAL STATEMENTS

Under the definitions set out in FRS102, the TPS is an unfunded multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 13.5% to 22.2% for employers and 5.5% to 12.5% for employees.

Total contributions made:	2022	2021
	£000	£000
Employer's contributions	3,470	2,970
Employees' contributions	1,245	1,106
	4,715	4,076

The LGPS obligation includes the employees of the Academy Trust who were employees transferred as part of the conversion from their legacy organisation (as described in note 32) together with 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 Trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

The subsequent values disclosed relate to the average of the five LGPS Schemes.

Principal actuarial assumptions

	2022	2021
Rate of increase in salaries	3.8%	3.8%
Rate of increase for inflation/pensions in payment	2.9%	2.8%
Discount rate for scheme liabilities	4.2%	1.7%



NOTES TO THE FINANCIAL STATEMENTS

Sensitivity analysis

Changes in assumptions, where provided, would have the following effect on the LGPS deficit:

	East Riding Pension Fund		South Yorkshire Pension Fund		North Yorkshire Pension Fund		West Yorkshire Pension Fund		Lincolnshire Pension Fund	
	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
0.1% decrease in Real Discount Rate	171	290	744						204	31
0.1% discount rate increase				(1,255)	(58)	(97)	(609)	(1,022)		
1 year increase in member life expectancy	266	449	1,058	1,502	71	165	609	1,340	203	43
0.1% increase in the Salary Increase Rate	10	17	106						51	8
0.1% pay increase				144	8	13	84	176		
0.1% inflation				1,290						
0.1% increase in the Pension Increase Rate	163	269	644						155	22
0.1% pension increase					51	85	525	846		

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

	2022 Years	2021 Years
<i>Retiring today</i>		
Males	21.6	21.8
Females	24.2	24.3
<i>Retiring in 20 years</i>		
Males	22.8	23.0
Females	25.8	25.9

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

	2022 £000	2021 £000
Equities	37,529	30,273
Government bonds	1,529	4,219
Corporate bonds	6,171	3,577
Property	3,896	3,272
Cash and other liquid assets	1,188	861
Other	744	4,292
Total market value of assets	51,057	46,494

	2022 £000	2021 £000
Actual return on scheme assets	(289)	6,867



NOTES TO THE FINANCIAL STATEMENTS

Amounts recognised in the Statement of Financial Activities

	2022	2021
	£000	£000
Current service cost (less employer contributions)	(7,868)	(5,128)
Past service cost (inc curtailments)	-	(27)
Interest income	838	620
Interest cost	(1,917)	(1,414)
Admin expenses	(3)	(39)
Total amount recognised in the SOFA	(8,950)	(5,988)

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

	2022	2021
	£000	£000
At 1 September	108,618	78,063
Current service cost	11,250	8,182
Interest cost	1,917	1,414
Employee contributions	1,233	1,102
Actuarial (gain)/loss	(60,734)	13,592
Effect of business combinations/disposals	1,903	7,029
Benefits paid	(800)	(791)
Past service cost (inc curtailments)	-	27
At 31 August	63,387	108,618

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

	2022	2021
	£000	£000
At 1 September	46,494	32,751
Interest income	838	620
Administration costs	(3)	(39)
Actuarial gain/(loss)	(1,127)	6,247
Employer contributions	3,382	3,053
Employee contributions	1,233	1,102
Effect of business combinations/disposals	1,040	3,551
Benefits paid	(800)	(791)
At 31 August	51,057	46,494



NOTES TO THE FINANCIAL STATEMENTS

31) Related party transactions

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

Wellspring Academy Trust was set up by Barnsley College who sponsor the Trust. Barnsley College have a number of representatives on the Board in accordance with the Trust's Articles of Association. During the year, Barnsley College provided services (at cost) to the Trust, relating to pupils accessing college courses costing £11,990 and £60 facilities hire, which totalled £12,040 (2021: £6,415). Also during the year, The Trust provided training to Barnsley College totalling £999 (2021: Nil).

Opening Doors Greenacre Community Interest Company (CIC) is a separate legal entity set up to provide holistic opportunities to adults aged between 19 and 25 who have an Education Health and Care Plan. The company submits an annual report to the Governing Body of Greenacre School detailing its annual operations, presented by Trust employees who sit as Board Directors within the Company. The Trust provides staff members on a consultant basis to deliver the provision, and levies a management and administration charge, in addition to charges for the use of premises and travel. During the year ended 31 August 2022 the Trust invoiced Opening Doors Greenacre CIC £165,429 (2021: £126,007). At 31 August 2022 £93,935 was still owing to the Trust (2021: £48,740).

Colin Booth OBE, Director of the Trust, was also a Director of White Rose Academy Trust and remains a Member. During the year Wellspring Academy Trust provided governance support to White Rose Academy Trust for total charges of £15,893 (2021: £29,585). Nothing was owed to the Trust as at 31 August 2022 (2021: £6,549).

Colin Booth OBE is also a Director of Horsforth Primary School. No transactions occurred during year ended 31 August 2022. During the year ended 31 August 2021 the Trust invoiced Horsforth Primary School £200 for training.

Yiannis Koursis, Director of the Trust, is also a Governor of Horizon Community College. During the year ended 31 August 2022 the Trust provided training to Horizon Community College totalling £2,500 (2021: £Nil).

The Forest School Fund is a separate legal Charity set up to advance the education of the pupils of The Forest School by providing or assisting the provision of education, recreational and other charitable facilities. Governors of The Forest School and the Principal are Trustees of the Charity. During the year ended 31 August 2022 Wellspring Academy Trust received £105,869 grant funding from The Forest School Fund (2021: £65,076), of which £nil was due to the Trust at 31 August 2022 (2021: £7,747).

Molly Beever, a Director of Wellspring Academy Trust, is also a Director of Barnsley Governors Association. During the year ended 31 August 2022 £500 was invoiced to Barnsley Governors Association for training provided by the Trust (£nil: 2021). No fees were paid to Barnsley Governors Association during the year ended 31 August 2022 (2021: £250).

Stewart Harper, a former Director of Wellspring Academy Trust, is also a Director of Rodilian Multi-Academy Trust. No transactions occurred during this year. During the year ended 31 August 2021 the Trust paid Southway at the Rodilian Academy, a subsidiary of Rodilian Multi-Academy Trust, £125 to reimburse for vehicle repair costs.



NOTES TO THE FINANCIAL STATEMENTS

32) Conversions to an academy

During the year the following school converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Wellspring Academy Trust from the 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 statement of financial activities.

Academy	Location	Date of conversion	
Horncastle Primary School	Lincolnshire – LA Transfer	1 September 2021	
		Horncastle Primary School	Total 2022
		£000	£000
Leasehold land and buildings		4,192	4,192
Unspent capital grants		18	18
Revenue cash reserves		19	19
LGPS pension surplus/(deficit)		(863)	(863)
Recognised as income within the SOFA/ Total net assets acquired		3,366	3,366

Funds surplus/(deficit) transferred:	Unrestricted Funds	Restricted General funds	Restricted Fixed Assets Funds	Total 2022
	£000	£000	£000	£000
Tangible fixed assets				
Leasehold land and buildings	-	-	4,192	4,192
Current assets				
Cash at bank	-	19	18	37
Non-current liabilities				
LGPS pension surplus/(deficit)	-	(863)	-	(863)
Net Assets	-	(844)	4,210	3,366



NOTES TO THE FINANCIAL STATEMENTS

33) Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2022 the Academy Trust received £17,941 and disbursed £5,295 from the fund. An amount of £18,680 is included in other creditors relating to funds which will be disbursed in the next financial year or funds to be repayable to ESFA. Comparatives for the accounting period ending 31 August 2021 are £9,635 received, £3,600 disbursed and £10,129 included in other creditors.

34) Events after the end of the reporting period

The Trust has been successful in three free school applications. These will be special schools in Scunthorpe, Selby and Sheffield. The first one is planned to open in September 2023 and the other two in September 2024.

Coomb Briggs Primary School in Immingham has an Academy Order to convert and join the Trust. Conversion is planned for February 2023.