

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 2021**



# **WELLSPRING ACADEMY TRUST**

## **CONTENTS**

---

	<b>Page</b>
Reference and Administrative Details	1-2
Trustees' Report	3-21
Governance Statement	22-26
Statement on Regularity, Propriety and Compliance	27
Statement of Trustees' Responsibilities	28
Independent Auditor's Report on the Financial Statements	29-32
Independent Reporting Accountant's Report on Regularity	33-34
Statement of Financial Activities incorporating Income and Expenditure Account	35
Balance Sheet	36
Statement of Cash Flows	37
Notes to the Financial Statements	38-67

## WELLSPRING ACADEMY TRUST

### REFERENCE AND ADMINISTRATION DETAILS

---

<b>Members</b>	Barry Eldred Hearl Lenton Dianne Murray Russell Gill John Hall Joe Wilkinson	(appointed 19 April 21) (resigned 27 October 2020) (resigned 4 November 2020)
<b>Trustees</b>	Hearl Lenton Gordon Beever Molly Beever Colin Booth OBE Neil Clephan OBE Jennifer Field Stewart Harper Cheryl Hobson Yiannis Koursis Jayne Lawrence Richard Owen Mark Wilson	(Chair)     (appointed 9 April 2021)    (appointed 9 April 2021) (resigned 14 December 2020) (CEO and Accounting Officer)
<b>Company Secretary</b>	Mark Wood	
<b>Company Name</b>	Wellspring Academy Trust	
<b>Company Registration Number</b>	08120960 (England and Wales)	
<b>Principal and Registered Office</b>	Digital Media Centre, County Way, Barnsley, South Yorkshire, S70 2JW	
<b>Independent Auditors</b>	Forrester Boyd 139 Eastgate, Louth, Lincolnshire, LN11 9QQ	
<b>Banker</b>	Royal Bank of Scotland plc Church Street, Sheffield, S1 2GF	
<b>Solicitor</b>	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 Information Officer	Jonny Wathen
Chief Administration Officer	Natalie Hardman
Clerk to the Board	Karen Froggatt

### 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
Executive Principal	Lisa Ashcroft-Day	Springwell Alternative Academy Spalding Springwell Alternative Academy Grantham Springwell Alternative Academy Lincoln Springwell Alternative Academy Mablethorpe
Executive Principal	Sarah Horsbrough	Elements Primary School
Principal	Neville Wilkinson	Littlecoates Primary Academy
Principal	Michelle Farr	The Forest School
Principal	Jason Thurley	Beacon Academy
<b>Converted 1 September 2021</b>		
Principal	Steve Bladon	Horncastle Primary School
<b>Approved for Closure</b>		
Dormant school	NA	Springwell Lincoln City 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 2020 to 31 August 2021. 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 5,000 young people in our care, and with 1,651 committed employees.

<b>Academies operated</b>	<b>Location</b>
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 is currently a dormant Academy following the opening of the four new Alternative Academy Free Schools, and has been approved for formal closure on the 1st December 2021 by the DfE.

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

<b>Free School</b>	<b>Opening</b>	<b>Location</b>
Scunthorpe Free School	September 2023	North Lincolnshire
Sheffield Free School	September 2024	Sheffield
Selby Free School	September 2024	North Yorkshire

# WELLSPRING ACADEMY TRUST

## TRUSTEES' REPORT

---

### 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.

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,

## WELLSPRING ACADEMY TRUST

### TRUSTEES' REPORT

---

- 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.

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

## WELLSPRING ACADEMY TRUST

### TRUSTEES' REPORT

---

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. The Board commissioned RSM, the Trust's internal auditors, to review the Executive Remuneration Policy and processes, in addition to conducting extensive bench-marking, in order to inform the reviews of Executive members' remuneration in Autumn 2020.

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
8	7.8

##### Percentage of time spent on facility time

Percentage of time	Number of employees
0%	5
1% - 50%	3
51% - 99%	-
100%	-

##### Percentage of pay bill spent on facility time

Total cost of facility time	£1551
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	0.0039%

##### 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%
---	----

#### 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.

## WELLSPRING ACADEMY TRUST

### TRUSTEES' REPORT

---

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

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 during the Covid-19 pandemic.

'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 been undertaken with parents during the Covid-19 pandemic in order to keep them fully apprised of the situation as it developed and changed.

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 it to the second 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-five, 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.

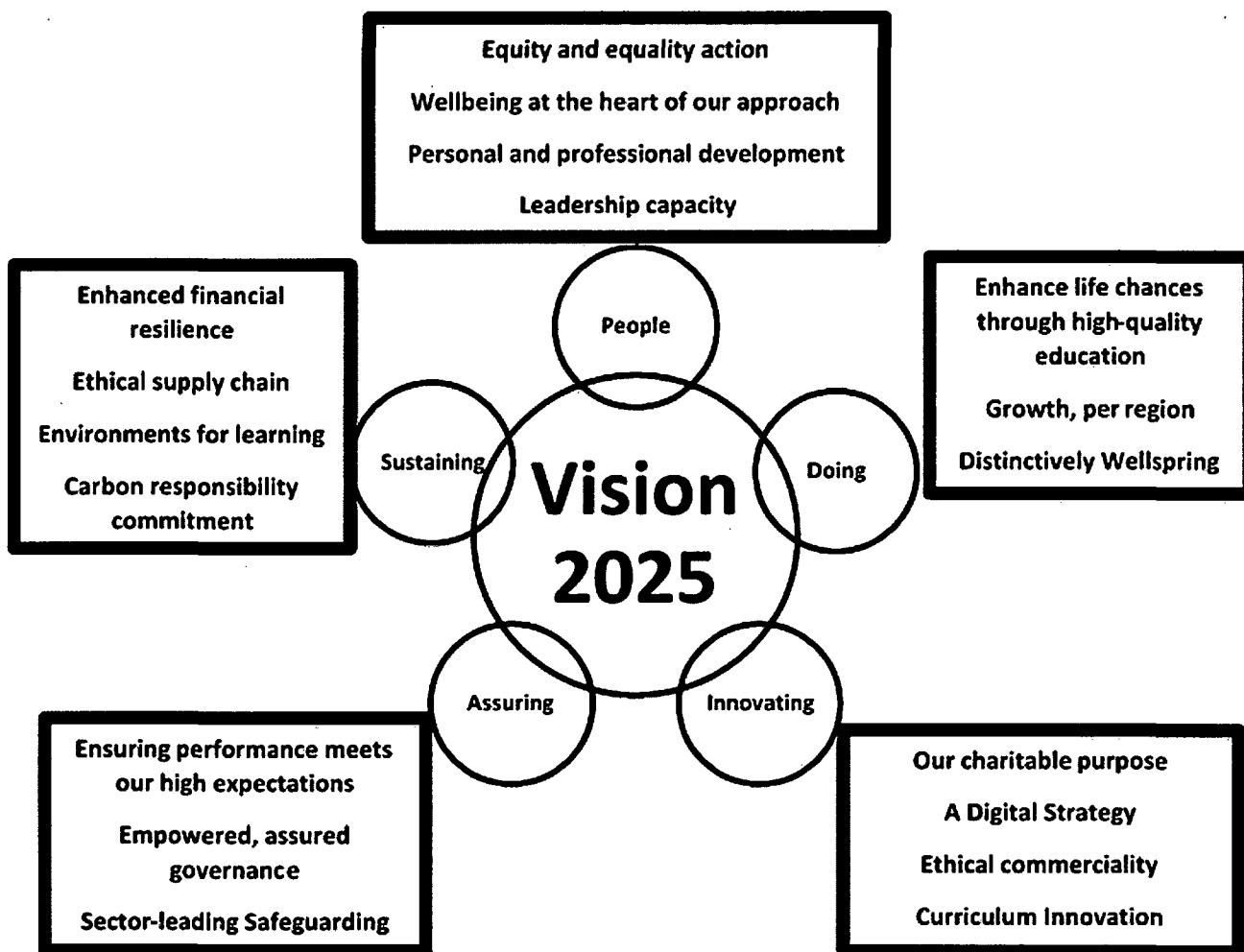
In the second era the Trust aims to build on the successes so far to service a community of sustainably effective and inspirational schools and charitable works in complement to these, to improve lives and thus provide exceptional value

## WELLSPRING ACADEMY TRUST

### 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

Building on the success of the previous years the following key achievements were made against the Vision 2025 aims and objectives in 2020/21:

**People** – Our people share a set of values and principles that define who we are as a community

#### Equity and equality action

- Board adopted Equity and Equality action plan
- Diversity at Board and Local Governing Bodies has increased
- No material difference in gender pay between male and female staff undertaking similar roles

#### Wellbeing at the heart of our approach

- Implemented half termly Trust-wide wellbeing initiatives
- Implemented a cycle to work scheme
- Over 200 Mental Health First Aiders trained and 4 Therapeutic Counsellors deployed across our Academies

#### Personal and professional development

- Delivered the annual Festival of Learning on-line offering training and development for all Trust staff
- Created 170 Kick-Start roles at a value of £1.3m – supporting hard to reach people back into work
- Accessed £180k of Apprentice Levy funding training (£11k more than paid in during the year)

#### Launched the Josie Thirkell Institute of Education

- 35 Early Career Teachers, supported by mentor group, induction and training programme and handbook
- 29 Trainee Teachers, supported by newly established induction programme and network
- Co-delivered training programmes
- Personal and professional development pathways established for all staff roles in schools
- Created and launched 'Josie TV' providing an online multi-channel training and development platform

#### Leadership capacity

- Established Leadership Constellations across the region delivering enhanced executive leadership
- Head of school seconded to Holgate/Heritage Park in Sheffield to stabilise and improve provision

**Doing** – We are a diverse community comprised of Academies in all sectors – Primary, Secondary, Special and Alternative

#### Enhance life chances for all through delivery of high quality education

- Education and Standards assured in 80% of Academies
- 20% requiring attention and action (includes three newly sponsored conversions)
- Nil permanent exclusions
- Mobilised and maintained quality remote/virtual learning through Covid-19 pandemic
- Substantial focus on continuity of care through pandemic – provision of meals, safeguarding checks etc.
- Creation of £1.5m school improvement fund through re-purposing of reserves

# WELLSPRING ACADEMY TRUST

## TRUSTEES' REPORT

---

### Growth in our engagement, influence and impact per region

- Conversion of three new academies during 2020/21 and a further one from September 2021
- Representation on each of the six Local Authority Schools Forums
- Behaviour and Wellbeing outreach working with 239 partner organisations

### A 'Distinctively Wellspring' character

- Leadership conferences delivered on-line
- Shortlisted for MAT of the year, Leadership Team of the year and Governor of the year.

### Innovating – We consistently challenge our own thinking and practice

### Using our charitable purpose to improve lives

- Produced SEND, wellbeing and behaviour online training modules
- Provided outreach development and support services to other organisations
- Bradford – Developed and delivered strengthening SEMH through parental engagement
- Star Academy Trust – Developed and delivered in-school inclusion centres strategy

### A Digital Strategy

- Fifteen digital hubs now established (minimum one per region)
- Over 4,000 additional chromebooks provisioned
- All Academies now using single enhanced Management Information System (Arbor)
- Academies migrated to Trust Google workspace

### Ethical commerciality

- Amazon Business Account set up and piloted across 3 schools (Use of ethically sourced suppliers)

### Support for curriculum innovation alongside our Academies

- Trust accessing EdTech demonstrator CPD programme
- Springwell Barnsley EdTech50 Award for sharing practice
- Provisioning of Google classroom to deliver remote education through pandemic
- Google certified educators (21 x L1, 8 x L2, 1 certified educator and 1 certified innovator)
- 1 x Apple distinguished educator

### Assuring – We marry sophisticated business planning with our deep understanding of schools, their needs, rhythms and routines to provide sector-leading assurance and support

### Ensuring performance meets our high expectations

- Wellspring Assurance Framework – 84% assured or highly assured (16% attention, action and intervention)
- Unqualified external audit opinion with no management findings to report
- Internal Audit Overall Outcome – Reasonable Assurance (Includes three audits with substantial assurance)
- Buildings/Facilities 98.3% compliance with all associated requirements

### Empowered, assured governance

- Local Governing Body (LGB) / Executive Team / Board - Information Packs developed and implemented
- Shortlisted for National Governance Awards
- Completed detailed review of LGB Constitution, creating greater clarity of role and focus

# WELLSPRING ACADEMY TRUST

## TRUSTEES' REPORT

---

### Sector leading safeguarding practices

- Internal Audit – Judged as good Progress being made against actions from previous Reasonable Assurance
- Two Trust Safeguarding Lead positions embedded to provide assurance, advice, guidance and training
- All Academies assured through Trust and LA audit processes

### Sustaining – We think long term to secure the future

#### Enhanced financial resilience

- 2020/21 in-year surplus of just under £4m - Reserves increased to just over £8m (£3m over target of £5m)
- No school with end of year deficit as at 31 August 2021, or budgeted deficit as at 31 August 2022
- Strong and sustainable medium term financial forecast through to end of 2023/24 planning period
- Secured ESFA Capacity Funding for third successive year to support ongoing growth (£121k)
- 2020/21 Internal Audit Key Financial Controls – Substantial Assurance

#### Transforming our learning environments

- £2.645m funding secured from DFE for major refurbishment on conversion of Forest Moor, Penny Field and Green Meadows
- Over £2m of major capital projects undertaken including roofing, heating and major refurbishment schemes
- Communicolor project launched significantly enhancing outdoor spaces for schools and communities

#### Establish forward focused, ethical supply chain

- Catering contract extension negotiated and agreed to August 2023
- Cleaning services tendered in the eastern region
- External and Internal Audit re-tendered – improved value for money (Saving circa £30k)
- Gas/Electric - schools consolidated on fixed rate (saving circa £260k on current market levels)
- 2020/21 Internal Audit Procurement and Contract Management – Substantial Assurance

#### Develop and implement our carbon responsibility commitment

- New free schools designed to Passivhaus Classic credentials, operating semi off-grid and generating renewable energy locally
- £1.8m of Salix Decarbonisation Schemes underway following investment being secured

### Key Performance Indicators

The Board considers that the following are key performance indicators for the Academy Trust:

- Pupils numbers (leading directly to the Education and Skills Funding Agency (ESFA) funding level);
- General financial stability - aim for income to match expenditure each year;
- Staff costs as a percentage of total costs;
- Ofsted inspection results;
- Capital expenditure;
- Pupil attendance;
- Annual Trust evaluation of effectiveness;
- Academies and destinations outcomes for young people.

## **WELLSPRING ACADEMY TRUST**

### **TRUSTEES' REPORT**

---

The Board receives updates against the above indicators through the various reporting mechanisms during the year and considers that all key performance indicators listed have been successfully met.

#### **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 appraised of all key success criteria for the Trust.

#### **Financial Review**

During the period, the Academy Trust grew to include three additional academies. The Trust inherited the assets and liabilities in hand on the date of conversion to academy status. A net donation of £17.9m, 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 2021 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

During the year ended 31 August 2021, total expenditure of £71.1m was more than covered by recurrent grant funding from the ESFA, together with other incoming resources. The excess of income over expenditure for the year (excluding Restricted Fixed Asset Funds and movement on the Pension Reserve) was £4.0m.

At 31 August 2021, the net book value of tangible fixed assets was £164.1m 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 increased during the year by £16.8m to £62.1m. This is as a result of the actuarial valuations at 31 August 2021 and the addition of three new academies who joined Wellspring Academy Trust during the year. This may have an impact on future employers' pension contributions over a period of years.

# WELLSPRING ACADEMY TRUST

## TRUSTEES' REPORT

---

### 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.

The Audit & Risk Committee maintained a specific Covid-19 Group for part of the year, meeting frequently to consider risks, impacts and mitigations through the pandemic, providing Board oversight on all key aspects of managing the emergent and 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.

## WELLSPRING ACADEMY TRUST

### TRUSTEES' REPORT

---

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.

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 2021 is £5.3m and that of Restricted General Funds (excluding pension reserve) is £3.4m.

The collective reserves of £8.7m are £3.9m above the target level of reserves of £4.8m per the reserves policy. Of this sum £1.0m relates to committed resources earmarked to be spent in 2021/22 and £1.5m 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 2021 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

## WELLSPRING ACADEMY TRUST

### TRUSTEES' REPORT

---

- 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.

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.

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 being developed which takes into account:

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

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.

## WELLSPRING ACADEMY TRUST

### TRUSTEES' REPORT

---

#### Fundraising

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

#### Streamlined Energy and Carbon Reporting

UK Greenhouse Gas Emissions and Energy Use Data	1 September 2020 to 31 August 2021	1 September 2019 to 31 August 2020
Energy consumption used to calculate emissions (kWh)	12,730,522	11,938,995
Energy consumption breakdown (kWh) <ul style="list-style-type: none"><li>• Gas</li><li>• Electricity</li><li>• Transport Fuel</li></ul>	9,161,702 3,286,513 282,307	8,000,896 3,421,794 516,305
Scope 1 – Emissions in metric tonnes CO <sub>2</sub> e <ul style="list-style-type: none"><li>Gas consumption</li><li>Owned Transport – Mini Buses</li><li>Total Scope 1</li></ul>	1,678.06 <u>38.29</u> 1,716.35	1,865.33 <u>51.16</u> 1,916.49
Scope 2 – Emissions in metric tonnes CO <sub>2</sub> e <ul style="list-style-type: none"><li>Purchased Electricity</li></ul>	697.83	629.17
Scope 3 – Emissions in metric tonnes CO <sub>2</sub> e <ul style="list-style-type: none"><li>Business travel in employee owned vehicles</li></ul>	30.94	76.06
Total gross emissions in metric tonnes CO <sub>2</sub> e	2,445.12	2,621.71
Intensity Ratio <ul style="list-style-type: none"><li>Tonnes CO<sub>2</sub>e per pupil</li></ul>	0.47	0.54

The data above shows a reduction in CO<sub>2</sub>e per pupil, however given the impact, in different ways, of the Covid19 pandemic over the last two years neither year represents what could be considered a normal period of usage. On this basis it is difficult to make any meaningful comparison between the two.

#### 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.

# WELLSPRING ACADEMY TRUST

## TRUSTEES' REPORT

---

### Intensity Measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per pupil, the recommended ratio for the sector.

### Measures taken to improve energy efficiency

- Expansion of Digital Hubs in Academies to significantly reduce mileage across the regions.
- Ongoing installation of energy efficient LED lighting as lighting is replaced across the Academies.
- Move to single energy provider for all academies, with installation of smart meters to better manage usage.
- Installation of energy efficient boilers when replaced in line with the multi-year capital programme.

### Plans for future periods

The Trust is now moving onto the second 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 15 December 2021 and signed on its behalf by:



Hearl Lenton  
**Chair of the Board**  
15 December 2021



Mark Wilson  
**CEO and Accounting Officer**  
15 December 2021

# 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 five 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:

Board of Directors	Meetings attended	Out of possible
Gordon Beever	5	5
Molly Beever	5	5
Colin Booth	4	5
Neil Clephan	4	5
Jennifer Field +	1	2
Stewart Harper	5	5
Cheryl Hobson	4	5
Jayne Lawrence +	2	2
Yiannis Koursis	2	5
Hearl Lenton (Chair)	4	5
Richard Owen +	0	1
Mark Wilson	5	5

- + Jennifer Field and Jayne Lawrence were appointed to the Board on 9 April 2021. Richard Owen resigned from the Board on 14 December 2020

## WELLSPRING ACADEMY TRUST

### GOVERNANCE STATEMENT

---

The Chair of the Board was reappointed for a further year at the meeting held in October 2020.

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 were introduced during the year, 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 have been introduced, supplemented by progress reports relating to each of the Plan's five strands.

#### 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	5	5
David Idle (co-optee) +	4	4
Cheryl Hobson (Chair)	5	5
Jennifer Field +	1	1
Yiannis Koursis	5	5
Heal Lenton *	1	5
Matthew Welsh (co-optee) +	5	5
Mark Wilson	5	5

\* The Chair of the Board attends meetings by exception

+ Jennifer Field joined the Committee on 9 April 2021. Matthew Welsh joined the Committee on 15 July 2020. David Idle joined the Committee on 14 October 2020 and resigned on 31 July 2021

## WELLSPRING ACADEMY TRUST

### GOVERNANCE STATEMENT

---

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 4 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)	5	5
Cheryl Hobson	5	5
Jayne Lawrence +	1	1

+ Jayne Lawrence joined the Committee on 9 April 2021

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 4 meetings in the year. Attendance at the meetings was as follows:

Standards Committee	Meetings attended	Out of possible
Ken Battye (co-optee) +	3	3
Molly Beever	4	4
Neil Clephan (Chair)	4	4
Steven Geraghty (co-optee) +	3	3
Mark Pawson (co-optee)	4	4
Mark Wilson	4	4

+ Ken Battye and Steven Geraghty joined the Committee on 16 December 2020

#### 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.

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. The Accounting Officer for the Academy Trust has delivered improved value for money during the year as follows:

# WELLSPRING ACADEMY TRUST

## GOVERNANCE STATEMENT

---

- 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
- Savings of £30k achieved from the annual consolidated ICT hardware and furniture procurement exercise
- Savings of £30k achieved through the re-tendering of Internal and External Audit services
- Fixed price consolidated energy contracts put in place in 2019/20 are currently saving circa £260k 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 of Procurement and Contracting.
- Major restructures supported across three special/alternative academies, with a change in educational provision to mitigate a forecast deficit and ensure financial sustainability in the medium term.

### 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 2020 to 31 August 2021 and up to the date of approval of the Annual Report and Financial Statements.

### Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy 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 2020 to 31 August 2021 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board of Trustees.

### The Risk and Control Framework

The Academy 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 RSM as Internal Auditors during the year ended 31 August 2021.

The Internal Auditor has delivered their schedule of work as planned. The Internal Audit opinion for the year states 'the organisation has an adequate and effective framework for risk management, governance and internal control'.

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:

- Remote working and operational resilience – reasonable assurance
- Procurement and contract management – substantial assurance
- Academy key financial controls – substantial assurance
- Capital investment strategy – substantial assurance
- Follow Up – reasonable progress

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
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework;

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the 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 15 December 2021 and signed on its behalf by:



Hearl Lenton  
Chair of the Board



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 Academies Financial Handbook 2020.

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 Academies Financial Handbook 2020.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.



**Mark Wilson**  
**Accounting Officer**

15 December 2021

## 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 2020 to 2021
- 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 15 December 2021 and signed on its behalf



Earl Lenton  
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 'Trust') for the year ended 31 August 2021, which comprise the Statement of Financial Activities for the year ended 31 August 2021 (including Income and Expenditure Account), Balance Sheet as at 31 August 2021, Statement of Cash Flows for the year ended 31 August 2021, 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 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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, we do not express any form of assurance conclusion thereon.

## **WELLSPRING ACADEMY TRUST**

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

---

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 28], 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 Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust 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 2020 and correspondence with solicitors to identify any on-going litigation.
- Testing of journal entries and potential override of systems.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery collusion, omission or misrepresentation.

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

## **WELLSPRING ACADEMY TRUST**

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

---

#### **Use of our report**

This report is made solely to the Trustees, 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 Trustees 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 Trust and its Trustees, 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

16 December 2021

## **WELLSPRING ACADEMY TRUST**

### **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 21 May 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Wellspring Academy Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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' funding agreement with the Secretary of State for Education dated 30 October 2014 and the Academies Financial Handbook extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

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

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

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

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

## **WELLSPRING ACADEMY TRUST**

### **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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Adam Millson ACA  
For and on behalf of Forrester Boyd, Chartered Accountants

Waynflete House  
139 Eastgate  
Louth  
Lincolnshire  
LN11 9QQ

16 December 2021

**WELLSPRING ACADEMY TRUST**

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

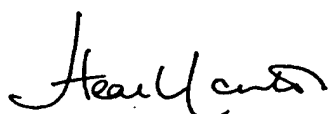
		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2020/21	Total 2019/20
	Notes	£000	£000	£000	£000	£000
<b>Income and endowments from:</b>						
Donations and capital grants	2	52	-	2,875	2,927	1,847
Transfer from Local Authority on conversion	32	-	-	17,937	17,937	14,008
Other trading activities	4	812	-	-	812	582
Other income	5	262	187	-	449	432
Investments	6	1	-	-	1	18
<b>Charitable activities:</b>						
- Funding for educational operations	3	-	63,900	-	63,900	56,177
- Teaching School	3/33	16	187	-	203	280
<b>Total income and endowments</b>		<b>1,143</b>	<b>64,274</b>	<b>20,812</b>	<b>86,229</b>	<b>73,344</b>
<b>Expenditure on:</b>						
<b>Charitable activities:</b>						
- Educational operations	7/8	519	66,118	4,252	70,889	63,324
- Teaching School	33	-	205	-	205	349
<b>Total expenditure</b>	<b>7/8</b>	<b>519</b>	<b>66,323</b>	<b>4,252</b>	<b>71,094</b>	<b>63,673</b>
<b>Net income/(expenditure)</b>		<b>624</b>	<b>(2,049)</b>	<b>16,560</b>	<b>15,135</b>	<b>9,671</b>
<b>Transfers between funds</b>	<b>19</b>	<b>-</b>	<b>(575)</b>	<b>575</b>	<b>-</b>	<b>-</b>
<b>Other recognised (losses)/gains:</b>						
Actuarial (losses)/gains on defined benefit pension schemes	30	-	(10,824)	-	(10,824)	(6,380)
<b>Net movement in funds</b>		<b>624</b>	<b>(13,448)</b>	<b>17,135</b>	<b>4,311</b>	<b>3,291</b>
<b>Reconciliation of funds</b>						
<b>Total funds brought forward</b>		<b>4,638</b>	<b>(45,241)</b>	<b>148,648</b>	<b>108,045</b>	<b>104,754</b>
<b>Total funds carried forward</b>		<b>5,262</b>	<b>(58,689)</b>	<b>165,783</b>	<b>112,356</b>	<b>108,045</b>

The deficit restricted general reserve includes surplus restricted general funds of £3,435k offset by deficit pension reserves of £62,124k. The accompanying notes form part of these financial statements.

**WELLSPRING ACADEMY TRUST**
**BALANCE SHEET AS AT 31 AUGUST 2021**
**COMPANY NUMBER 08120960**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Intangible assets	13	61	279
Tangible assets	14	164,083	147,574
<b>Current assets</b>			
Stocks	15	28	36
Debtors	16	2,989	3,060
Cash at bank and in hand		13,479	8,486
		<u>16,496</u>	<u>11,582</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	17	(6,100)	(5,988)
<b>Net current assets</b>		<u>10,396</u>	<u>5,594</u>
<b>Total assets less current liabilities</b>		<u>174,540</u>	<u>153,447</u>
Creditors: Amounts falling due after more than one year	18	(60)	(90)
<b>Net assets excluding pension liability</b>		<u>174,480</u>	<u>153,357</u>
Defined benefit pension liability	30	(62,124)	(45,312)
<b>Total net assets</b>		<u>112,356</u>	<u>108,045</u>
<b>Funds of the Academy Trust:</b>			
<b>Restricted funds</b>	19		
- Fixed asset fund		165,783	148,648
- Restricted income fund		3,435	71
- Pension reserve		(62,124)	(45,312)
<b>Total restricted funds</b>		<u>107,094</u>	<u>103,407</u>
<b>Unrestricted income funds</b>	19	<u>5,262</u>	<u>4,638</u>
<b>Total funds</b>		<u>112,356</u>	<u>108,045</u>

The Financial Statements on pages 35 to 67 were approved by the Board of Trustees and authorised for issue on 15 December 2021 and are signed on its behalf by:



Hearl Lenton  
Chair



Mark Wilson  
CEO and Accounting Officer

**WELLSPRING ACADEMY TRUST**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2021**

	Notes	2021 £000	2020 £000
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	23	5,947	2,538
Cash funds transferred on conversion	32	-	571
		<u>5,947</u>	<u>3,109</u>
<b>Cash flows from investing activities</b>	25	(924)	(1,535)
<b>Cash flows from financing activities</b>	24	(30)	-
<b>Change in cash and cash equivalents in the reporting period</b>		<u>4,993</u>	<u>1,574</u>
<b>Cash and cash equivalents at 1 September 2020</b>		8,486	6,912
<b>Cash and cash equivalents at 31 August 2021</b>	26	<u>13,479</u>	<u>8,486</u>

## **WELLSPRING ACADEMY TRUST**

### **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 accounts 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 2020 to 2021 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 2021-22, and changes arising from the Covid-19 pandemic, 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 are confident that the Trust will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the Financial Statements and therefore have prepared the Financial Statements on a going concern basis.

##### **Income**

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

##### **• Grants**

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

## WELLSPRING ACADEMY TRUST

### NOTES TO THE FINANCIAL STATEMENTS

---

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 involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion were valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from Local Authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 32.

- **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.

## WELLSPRING ACADEMY TRUST

### 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 34.

#### **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.

## WELLSPRING ACADEMY TRUST

### 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.

## WELLSPRING ACADEMY TRUST

### 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 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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.

# WELLSPRING ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### 2) Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Capital grants	-	2,386	2,386	1,824
Donated fixed assets	-	489	489	-
Other donations	52	-	52	23
	<b>52</b>	<b>2,875</b>	<b>2,927</b>	<b>1,847</b>

#### Capital grants include:

	2021 £000	2020 £000
DfE Devolved Capital Grants	217	170
DfE School Condition Allocation	1,422	1,225
DfE Strategic School Improvement Capital Budget	529	-
DfE Free School Grants	68	265
DfE Environment Improvement Grant	40	-
DfE Salix Grant	-	44
DfE CIF recovery	(49)	-
DOH BPOS Funding	-	67
RPA Insurance	6	53
Other capital grants	153	-
	<b>2,386</b>	<b>1,824</b>

During the year ended 31 August 2021 Wellspring Academy Trust received donated ICT equipment from the DfE valued at £489K (2020: £nil).

# WELLSPRING ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### 3) Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	31,990	31,990	28,810
Other DfE/ESFA grants				
UIFSM	-	289	289	306
Pupil Premium	-	2,774	2,774	2,720
Exceptional DfE Funding (Covid-19)	-	1,087	1,087	379
Other DfE grants	-	1,944	1,944	2,470
	-	38,084	38,084	34,685
<b>Other Government grants</b>				
Local Authority grants	-	25,362	25,362	21,042
Other Government grants	-	138	138	260
		25,500	25,500	21,302
<b>Other Grants</b>	-	316	316	190
	-	63,900	63,900	56,117
<b>Teaching School Grant Income</b>				
	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Other DfE Group Grants	-	117	117	97
Other Government Grants	-	57	57	51
Other Grants	-	13	13	-
	-	187	187	148

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 2021.

The Trust has been eligible to claim 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, Covid Catch Up Premium and the cost of providing supermarket vouchers for eligible free school meal children in line with the DfE national scheme.

# WELLSPRING ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

<b>Other DFE Grants include:</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
PE Sports Funding	295	295
Pay and Pension Grants	665	1,720
Capacity Funding	307	235
Rates Relief	113	104
Conversion Start up grant	285	-
Free School Grant	60	-
Others	219	116
	<b>1,944</b>	<b>2,470</b>

<b>Other LA Grants include:</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
High Needs / SEN Funding	22,202	19,023
Early Years Funding	866	763
SEN Commissioned Services	358	486
Home to School Transport	36	238
LAC Pupil Premium	231	214
Pay and Pension Grants	1,097	-
Covid Grants	287	-
Other	285	318
	<b>25,362</b>	<b>21,042</b>

### 4) Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Hire of facilities	9	-	9	35
Catering income - Adults	1	-	1	4
Sale of goods or services	446	-	446	259
Supply Teacher Insurance claims	187	-	187	201
Income from ancillary trading activities	169	-	169	83
	<b>812</b>	<b>-</b>	<b>812</b>	<b>582</b>

### 5) Other income

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Catering income -Children	129	-	129	94
Apprenticeship Levy Drawdown	-	187	187	-
Educational Trips and Visits	8	-	8	30
Other Income	125	-	125	308
	<b>262</b>	<b>187</b>	<b>449</b>	<b>432</b>

# WELLSPRING ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### 6) Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Short term deposits	1	-	1	18
	1	-	1	18

### 7) Expenditure

	Staff Costs £000	Non Pay Expenditure Premises £000	Other £000	Total 2021 £000	Total 2020 £000
Academy's educational operations:					
Direct costs	41,597	-	4,718	46,315	43,171
Allocated support costs	12,316	7,055	5,203	24,574	20,153
Teaching School	124	3	78	205	349
	54,037	7,058	9,999	71,094	63,673

Net income/(expenditure) for the period includes:

	Total 2021 £000	Total 2020 £000
Operating lease rentals	357	378
Depreciation of tangible fixed assets	5,120	4,643
Loss on disposals of fixed assets *	264	-
Amortisation of intangible fixed assets (included within Charitable Activities – Academy Trust educational operations)	62	70
Fees payable to auditor for:		
- Audit of Financial Statements	36	46
- Internal Audit services	30	23
- Other assurance services	4	-

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

	Amount	Reason
Fixtures & Fittings	£61,290	Remaining value of fixtures and fittings located in a site in Leeds handed back to the LA
Fixtures & Fittings	£14,473	A farm provision which was closed during the year
Intangible Assets	£177,076	Cost of developing an App for the Mindspace contract which transferred out of the Trust during the year.
	£11,152	Net book value of other disposals under £5,000
	£263,991	Total loss on disposal of fixed assets

# WELLSPRING ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### 8) Charitable activities

	<b>Total 2021 £000</b>	<b>Total 2020 £000</b>
Direct costs – educational operations	<b>46,315</b>	43,171
Support costs – educational operations	<b>24,574</b>	20,153
	<b>70,889</b>	<b>63,324</b>
 Analysis of support costs (educational operations)	 <b>Total 2021 £000</b>	 <b>Total 2020 £000</b>
Support staff cost	<b>12,316</b>	9,014
Depreciation and amortisation	<b>3,561</b>	3,396
Loss on disposal of tangible fixed assets	<b>87</b>	-
Loss on disposal of intangible fixed assets	<b>177</b>	-
Technology costs	<b>743</b>	579
Premises costs	<b>3,556</b>	3,107
Professional fees	<b>146</b>	137
Legal Fees – Conversion	<b>33</b>	15
Legal Fees – Employment Matters	<b>81</b>	13
Legal Fees – Advice	<b>46</b>	7
Governance cost	<b>70</b>	71
Other support costs	<b>3,758</b>	3,814
<b>Total support costs</b>	<b>24,574</b>	<b>20,153</b>

### 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 £1,630k in the year ended 31 August 2021 (2020: £1,455k).

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, saving a net £350k per annum. Charges vary dependent upon the cost of delivery to each Academy and totalled £1,837k in year ended 31 August 2021 (2020: £1,653k).

# WELLSPRING ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

Total actual amounts charged during the year were as follows:

	Total 2021 £000	Total 2020 £000
Beacon Academy	338	296
Bramley Park Academy	142	131
Eastfield Infants and Nursery Academy	121	142
Ebor Gardens Primary Academy	162	156
Elements Primary School	103	78
Forest Moor School	21	-
The Forest Academy	87	82
Greenacre School	272	259
Green Meadows Academy	74	-
Joseph Norton Academy	64	62
Lacey Gardens Junior Academy	189	163
Littlecoates Primary Academy	127	125
Oakhill Primary Academy	72	70
Oakwell Rise Primary Academy	63	62
Penny Field School	30	-
Phoenix Park Academy and Sevenhills Academy	242	236
Positive Regard Teaching School Alliance	15	15
Springwell Alternative Academy and Springwell Special Academy	183	179
Springwell Leeds Academy	505	488
Springwell Lincolnshire Academies	368	360
Victoria Primary Academy	156	152
The Forest School	103	40
Springwell Harrogate	30	12
	<b>3,467</b>	<b>3,108</b>

### 10) Staff

#### a. Staff costs

Staff costs during the period were:

	Total 2021 £000	Total 2020 £000
Wages and salaries	36,512	34,027
Social security costs	3,400	3,140
Pension costs	12,030	10,624
	<b>51,942</b>	<b>47,791</b>

Agency staff costs

1,601 795

Staff restructuring costs

494 -

**2,095 795**

#### Total staff costs

**54,037 48,586**

Staff restructuring costs comprise:

	2021 £000	2020 £000
Redundancy payments	415	-
Severance payments	79	-
	<b>494</b>	<b>-</b>

## WELLSPRING ACADEMY TRUST

### NOTES TO THE FINANCIAL STATEMENTS

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

During the year the Trust agreed settlement terms with 5 members of staff totalling £89,103 (2020: £215,388). 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, the payments were;

£36,499	£29,646	£3,521	£6,650	£12,787
---------	---------	--------	--------	---------

#### c. Staff numbers

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

	2021 Number	2020 Number
Teachers	426	401
Administration and support	1,206	1,155
Management	19	21
	<u>1,651</u>	<u>1,577</u>

#### d. Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	12	16
£70,001 - £80,000	7	7
£80,001 - £90,000	5	4
£90,001 - £100,000	3	3
£100,001 - £110,000	2	1
£110,001 - £120,000	1	1
£120,001 - £130,000	2	1
£170,001 - £180,000	-	-
£180,001 - £190,000	1	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 £2,328,582 (2020: £2,340,617).

## WELLSPRING ACADEMY TRUST

### 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 £180,001 - £190,000 (2020: £180,001 - £190,000)

Employer's pension contributions paid £25,001 - £30,000 (2020: £20,001 - £25,000)

During the year ended 31 August 2021, travel and subsistence expenses totalling £281 were reimbursed or paid directly to one Trustee (2020: £269 to 2 Trustees).

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

#### 12) Trustee and officers insurance

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	2020/21 Total £000
<b>Cost</b>		
At 1 September 2020	447	447
Additions	21	21
Transfer on conversion	-	-
Disposals	(218)	(218)
At 31 August 2021	250	250
<b>Amortisation</b>		
At 1 September 2020	168	168
Charge for the year	62	62
Disposals	(41)	(41)
At 31 August 2021	189	189
<b>Net book value</b>		
At 31 August 2020	279	279
At 31 August 2021	61	61

# WELLSPRING ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### 14) Tangible fixed Assets

	Leasehold Land and Buildings	Leasehold Improvements	Computer Equipment	Fixtures, Fittings, and Equipment	Motor Vehicles	2020/21 Total
	£000	£000	£000	£000	£000	£000
<b>Cost</b>						
At 1 September 2020	150,586	3,051	3,621	3,350	75	160,683
Additions	-	1,881	742	469	201	3,293
Transfer on conversion	17,886	-	-	-	51	17,937
Donated assets	-	-	489	-	-	489
Disposals	-	-	(124)	(212)	(5)	(341)
At 31 August 2021	168,472	4,932	4,728	3,607	322	182,061
<b>Depreciation</b>						
At 1 September 2020	9,685	111	2,151	1,131	31	13,109
Charge for the year	3,415	84	947	644	30	5,120
Disposals	-	-	(124)	(123)	(4)	(251)
At 31 August 2021	13,100	195	2,974	1,652	57	17,978
<b>Net book value</b>						
At 31 August 2020	140,901	2,940	1,470	2,219	44	147,574
At 31 August 2021	155,372	4,737	1,754	1,955	265	164,083

Included in Leasehold Land and Buildings is an amount of £17,498k (2020: £17,022k) in respect of land which is not depreciated.

Twenty Three 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 2021 and August 2020 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 2021 £000	Total 2020 £000
Educational resources and supplies	28	36
	28	36

# WELLSPRING ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### 16) Debtors

	Total 2021 £000	Total 2020 £000
Trade debtors	318	335
VAT recoverable	653	373
Other debtors	16	15
Prepayments and accrued income	2,002	2,337
	<b>2,989</b>	<b>3,060</b>

### 17) Creditors: amounts falling due within one year

	Total 2021 £000	Total 2020 £000
Trade creditors	1,863	1,186
Other taxation and social security	809	691
Other creditors	906	800
DFE cash-flow loan (see below)	30	30
Accruals and deferred income	2,492	3,281
	<b>6,100</b>	<b>5,988</b>

	Total 2021 £000	Total 2020 £000
Deferred income at 1 September 2020	1,800	2,109
Released from previous years	(1,800)	(921)
Resources deferred in the year	718	612
Deferred income at 31 August 2021	<b>718</b>	<b>1,800</b>

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

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

	Total 2021 £000	Total 2020 £000
Loans	60	90
	<b>60</b>	<b>90</b>

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

	2021 £000	2020 £000
Repayments within one year	30	30
Repayments between two and five years	60	90
	<b>90</b>	<b>120</b>

# WELLSPRING ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### 19) Funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2021 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	31,990	(28,385)	(575)	3,030
UIFSM	-	289	(289)	-	-
Pupil Premium	-	2,774	(2,774)	-	-
Other DfE grants	-	3,031	(2,646)	-	385
Other DfE Group grants	-	117	(117)	-	-
Other Government grants	71	25,557	(25,628)	-	-
Other restricted funds	-	516	(496)	-	20
Pension reserve	(45,312)	-	(5,988)	(10,824)	(62,124)
	(45,241)	64,274	(66,323)	(11,399)	(58,689)
<b>Restricted fixed asset funds</b>					
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
<b>Total restricted funds</b>	103,407	85,086	(70,575)	(10,824)	107,094
<b>Total unrestricted funds</b>	4,638	1,143	(519)	-	5,262
<b>Total funds</b>	108,045	86,229	(71,094)	(10,824)	112,356

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 2021.
- 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.

**WELLSPRING ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	49	28,810	(28,721)	(138)	-
Start Up Grant	41	25	(66)		-
Pupil Premium	-	2,720	(2,720)		-
Other DfE Group grants	86	3,227	(3,313)		-
Other Government grants	164	21,353	(21,446)		71
Other restricted funds	-	190	(190)		-
Pension reserve	(35,872)	(73)	(2,987)	(6,380)	(45,312)
	(35,532)	56,252	(59,443)	(6,518)	(45,241)
<b>Restricted fixed asset funds</b>					
Inherited/Donated assets	130,876	13,510	2,015	-	146,401
DfE Group capital grants	688	1,704	(1,613)	-	779
Other Government grants	161	120	(402)	138	17
Capital expenditure from GAG	4,803	-	(3,352)	-	1,451
	136,528	15,334	(3,352)	138	148,648
<b>Total restricted funds</b>	100,996	71,586	(62,795)	(6,380)	103,407
<b>Total unrestricted funds</b>	3,758	1,758	(878)	-	4,638
<b>Total funds</b>	104,754	73,344	(63,673)	(6,380)	108,045

# WELLSPRING ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### Total funds analysis by academy

	Total 2021 £000	Total 2020 £000
Fund balances at 31 August 2021 were allocated as follows:		
Beacon Academy	224	119
Bramley Park Academy	97	43
Eastfield Infants and Nursery Academy	152	182
Ebor Gardens Primary Academy	130	76
Elements Primary School	124	24
The Forest Academy	72	35
Forest Moor School	1	-
Greenacre School	1,202	1,483
Green Meadows Academy	34	-
Joseph Norton Academy	571	384
Lacey Gardens Junior Academy	153	182
Littlecoates Primary Academy	142	167
Oakhill Primary Academy	71	(155)
Oakwell Rise Primary Academy	72	38
Penny Field School	8	-
Phoenix Park Academy	299	196
Positive Regard Teaching School Alliance	119	158
Sevenhills Academy	298	196
Springwell Alternative Academy	511	523
Springwell Special Academy	511	522
Springwell Leeds Academy	777	467
Springwell Lincoln City Academy	-	-
Victoria Primary Academy	130	76
Springwell Alternative Academy – Lincoln	298	98
Springwell Alternative Academy – Mablethorpe	297	98
Springwell Alternative Academy – Grantham	297	98
Springwell Alternative Academy – Spalding	297	98
The Forest School	386	236
Springwell Harrogate	169	395
Central Services	1,291	976
Reserves Strategy	(36)	(2,006)
<b>Total funds before fixed assets and pension reserves</b>	<b>8,697</b>	<b>4,709</b>
Restricted fixed assets	165,783	148,648
Pension reserves	(62,124)	(45,312)
<b>Total funds</b>	<b>112,356</b>	<b>108,045</b>

The Trust maintains a separate reserves strategy which had a deficit balance of £36k as at the 31 August 2021 (2020: £2,006K). 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.

# WELLSPRING ACADEMY TRUST

## 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 2021 £000	Total 2020 £000
Beacon Academy	2,189	165	311	400	3,065	2,799
Bramley Park Academy	1,271	67	141	355	1,834	1,938
Central Services	459	3,297	207	839	4,802	6,381
Lacey Gardens / Eastfield Infants	2,675	234	138	452	3,499	3,544
Ebor Gardens & Victoria Primary	3,151	229	230	780	4,390	4,868
Elements Primary School	568	41	98	227	934	735
The Forest Academy, Oakhill Primary Academy and Oakwell Rise Primary Academy	3,078	372	175	651	4,276	4,689
Greenacre School	5,067	947	114	806	6,934	7,475
Joseph Norton Academy	1,665	122	76	386	2,249	2,374
Littlecoates Primary Academy	825	48	66	182	1,121	1,209
Phoenix Park/Sevenhills Academy	2,361	194	102	358	3,015	3,338
Positive Regard Teaching School	80	44	62	19	205	400
Springwell AP & Special Academy	2,853	550	85	547	4,035	5,207
Springwell Leeds Academy	7,335	428	342	1,206	9,311	9,403
Springwell Lincolnshire Academies	3,817	202	143	696	4,858	5,542
The Forest School	1,978	168	10	294	2,450	981
Springwell Harrogate	696	39	18	92	845	528
Penny Field School	396	8	4	42	450	-
Green Meadows Academy	980	30	23	88	1,121	-
Forest Moor School	232	21	-	13	266	-
<b>Total</b>	<b>41,676</b>	<b>7,206</b>	<b>2,345</b>	<b>8,433</b>	<b>59,660</b>	<b>61,411</b>

Costs not attributable totalled £nil (2020 £nil)

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

# WELLSPRING ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### 20) Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2021 £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	-	(6,100)	-	(6,100)
Non-current liabilities	-	(60)	-	(60)
Pension scheme liability	-	(62,124)	-	(62,124)
<b>Total net assets</b>	<b>5,262</b>	<b>(58,689)</b>	<b>165,783</b>	<b>112,356</b>

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2020 £000
Intangible fixed assets	-	-	279	279
Tangible fixed assets	-	-	147,574	147,574
Current assets	4,638	6,149	795	11,582
Current liabilities	-	(5,988)	-	(5,988)
Non-current liabilities	-	(90)	-	(90)
Pension scheme liability	-	(45,312)	-	(45,312)
<b>Total net assets</b>	<b>4,638</b>	<b>(45,241)</b>	<b>148,648</b>	<b>108,045</b>

### 21) Capital commitments

	2021 £000	2020 £000
Contracted for, but not provided in the financial statements	1,455	437
	<b>1,455</b>	<b>437</b>

### 22) Commitments under operating leases

At 31 August 2021 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £000	2020 £000
Amounts due within one year	219	261
Amounts due between one and five years	198	204
Amounts due after five years	-	-
	<b>417</b>	<b>465</b>

# WELLSPRING ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

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

	2021	2020
	£000	£000
Net income/(expenditure) for the reporting period (as per the SOFA)	4,311	3,291
Adjusted for:		
Amortisation [note 13]	62	70
Depreciation [note 14]	5,120	4,643
Loss on disposal of fixed assets	264	-
Donated assets	(489)	-
Capital grants from DfE and other capital income	(2,386)	(1,824)
Interest receivable	(1)	(18)
Net deficit/(surplus) transferred on conversion	(17,937)	(14,008)
Defined benefit pension scheme obligation inherited [note 32]	-	-
Defined benefit pension scheme cost less contributions payable [note 30]	17,432	9,894
Defined benefit pension scheme finance (income)/cost [note 30]	(620)	(527)
(Increase)/decrease in stocks	8	(9)
(Increase)/decrease in debtors	71	357
Increase/(decrease) in creditors	112	669
<b>Net cash provided by / (used in) Operating Activities</b>	<b>5,947</b>	<b>2,538</b>

### 24) Cash flows from financing activities

	2021	2020
	£000	£000
Repayment of borrowing (DfE Loan)	(30)	-
Cash inflows from new borrowing	-	-
<b>Net cash provided by / (used in) financing activities</b>	<b>(30)</b>	<b>-</b>

### 25) Cash flows from investing activities

	2021	2020
	£000	£000
Dividends, interest and rents from investments	1	18
Proceeds from sale of tangible fixed assets	3	-
Purchase of intangible fixed assets	(21)	(217)
Purchase of tangible fixed assets	(3,293)	(3,160)
Capital grants from DfE Group	2,227	1,704
Capital funding received from others	159	120
<b>Net cash provided by / (used in) investing activities</b>	<b>(924)</b>	<b>(1,535)</b>

### 26) Analysis of cash and cash equivalents

	2021	2020
	£000	£000
Cash in hand and at bank	13,479	8,486
<b>Total cash and cash equivalents</b>	<b>13,479</b>	<b>8,486</b>

# WELLSPRING ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### 27) Analysis of Changes in Net Debt

	September 2020 £000	Cash Flows £000	Subsidiaries £000	Finance Lease 000	Non-cash Changes £000	August 2021 £000
Cash	8,486	4,993	-	-	-	13,479
Cash Equivalents	-	-	-	-	-	-
Overdraft Facility	-	-	-	-	-	-
	<b>8,486</b>	<b>4,993</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,479</b>
Loans falling within 1 Year	(30)	30	-	-	(30)	(30)
Loans falling after 1 Year	(90)	-	-	-	30	(60)
Finance Lease Obligations	-	-	-	-	-	-
	<b>8,366</b>	<b>5,023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,389</b>

### 28) Contingent liabilities

The Trust currently has 3 employment claims against it. Legal advice has been taken the outcome of which is set out below. The Trust is covered under the RPA insurance up to the value of £100,000 for each individual claim if they are successful. This would likely result in a net nil cost of any successful claims.

Claim		Legal View Of Defending	Potential Cost	Notes
1	Unfair dismissal, victimisation, race discrimination and disability discrimination.	60%	£26,000 to £44,000	
2	Constructive dismissal and indirect sex discrimination	>60%	£8,000 to £15,000 + solicitors fees	
3	Unfair Dismissal/Discrimination	>60%	No View	Details of claim not yet shared

Claims 1 and 3 above were ongoing at 31 August 2020.

### 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 2021 £841k contributions were outstanding to the schemes and are included in creditors (2020: £734k).

**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 2023.

The employer's pension costs paid to the TPS in the period amounted to £3,904,438 (2020: £3,643,603).

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

## WELLSPRING ACADEMY TRUST

### 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:	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Employer's contributions	<b>2,970</b>	<b>4,257</b>
Employees' contributions	<b>1,106</b>	<b>984</b>
	<b>4,076</b>	<b>5,241</b>

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

	<b>2021</b>	<b>2020</b>
Rate of increase in salaries	<b>3.8%</b>	<b>3.2%</b>
Rate of increase for inflation/pensions in payment	<b>2.8%</b>	<b>2.2%</b>
Discount rate for scheme liabilities	<b>1.7%</b>	<b>1.7%</b>

# WELLSPRING ACADEMY TRUST

## 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	
	2021 £000	2020 £000	2021 £000	2020 £000	2021 £000	2020 £000	2021 £000	2020 £000	2021 £000	2020 £000
0.5% decrease in Real Discount Rate		1,095								1,144
0.1% decrease in Real Discount Rate	290								315	
0.1% discount rate increase			(1,255)	(992)	(97)	(62)	(1,022)	(643)		
1 year increase in member life expectancy	449		1,502	1,076	165	100	1,340	799	434	
0.5% increase in the Salary Increase Rate		73								112
0.1% increase in the Salary Increase Rate	17								88	
0.1% pay increase			144	138	13	8	176	89		
0.1% inflation			1,290	1,019						
0.5% increase in the Pension Increase Rate		1,005								1,012
0.1% increase in the Pension Increase Rate	269								223	
0.1% pension increase					85	54	846	555		

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

	2021 Years	2020 Years
<i>Retiring today</i>		
Males	21.8	21.7
Females	24.3	24.1
<i>Retiring in 20 years</i>		
Males	23.0	22.8
Females	25.9	25.7

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

	2021 £000	2020 £000
Equities	30,273	20,242
Government bonds	4,219	3,460
Corporate bonds	3,577	2,890
Property	3,272	2,434
Cash and other liquid assets	861	966
Other	4,292	2,759
<b>Total market value of assets</b>	<b>46,494</b>	<b>32,751</b>

# WELLSPRING ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

The actual return on scheme assets was £6,867,000 (2020: £2,076,000)

### Amounts recognised in the Statement of Financial Activities

	2021 £000	2020 £000
Current service cost	(5,128)	(2,292)
Past service cost (inc curtailments)	(27)	(26)
Interest income	620	527
Interest cost	(1,414)	(1,160)
Admin expenses	(39)	(36)
Total amount recognised in the SOFA	<u>(5,988)</u>	<u>(2,987)</u>

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

	2021 £000	2020 £000
At 1 September	78,063	60,248
Current service cost	8,182	6,549
Interest cost	1,414	1,160
Employee contributions	1,102	984
Actuarial (gain)/loss	13,592	7,372
Effect of business combinations/disposals	7,029	1,792
Benefits paid	(791)	(68)
Past service cost (inc curtailments)	27	26
At 31 August	<u>108,618</u>	<u>78,063</u>

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

	2021 £000	2020 £000
At 1 September	32,751	24,376
Interest income	620	527
Administration costs	(39)	(36)
Actuarial gain/(loss)	6,247	1,549
Employer contributions	3,053	4,257
Employee contributions	1,102	984
Effect of business combinations/disposals	3,551	1,162
Benefits paid	(791)	(68)
At 31 August	<u>46,494</u>	<u>32,751</u>

**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 £5,995 and £420 facilities hire, which totalled £6,415 (2020: £36,091).

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 2021 the Trust invoiced Opening Doors Greenacre CIC £126,007 (2020: £161,206). At 31 August 2021 £48,740 was still owing to the Trust (2020: £78,977).

Colin Booth OBE, Director of the Trust, is also a Director of White Rose Academy Trust. During the year Wellspring Academy Trust provided governance support to White Rose Academy Trust for total charges of £29,015 and training at a charge of £570, totalling £29,585 (2020: £20,918). White Rose Academy Trust owed the Trust £6,549 at 31 August 2021 (2020: £1,340).

Colin Booth OBE is also a Director of Horsforth Primary School. During the year ended 31 August 2021 the Trust invoiced Horsforth Primary School £200 for training.

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 (who joined Wellspring Academy Trust in April 2020) and the Principal are Trustees of the Charity. During the year ended 31 August 2021 Wellspring Academy Trust received £65,076 grant funding from The Forest School Fund, of which £7,747 was due to the Trust at 31 August 2021.

Molly Beever, a Director of Wellspring Academy Trust, is also a Director of Barnsley Governors Association. During the year ended 31 August 2021 £250 training fees were paid to Barnsley Governors Association.

Stewart Harper, a Director of Wellspring Academy Trust, is also a Director of Rodilian Multi-Academy Trust. 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.

# WELLSPRING ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### 32) Conversions to an academy

During the year the following schools 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		
Penny Field School	Leeds – LA Transfer	1 May 2021		
Green Meadows Academy	Leeds – LA Transfer	1 May 2021		
Forest Moor School	North Yorkshire – LA Transfer	1 July 2021		
	Penny Field School	Green Meadows Academy	Forest Moor School	Total 2021
	£000	£000	£000	£000
Leasehold land and buildings	2,827	3,715	11,344	17,886
Other tangible fixed assets	-	51	-	51
LGPS pension surplus/(deficit)	-	-	-	-
<b>Recognised as income within the SOFA/ Total net assets acquired</b>	<b>2,827</b>	<b>3,766</b>	<b>11,344</b>	<b>17,937</b>

Funds surplus/(deficit) transferred:	Unrestricted Funds	Restricted General funds	Restricted Fixed Assets Funds	Total 2021
	£000	£000	£000	£000
Tangible fixed assets				
Leasehold land and buildings	-	-	17,886	17,886
Other tangible fixed assets	-	-	51	51
Non-current liabilities				
LGPS pension surplus/(deficit)	-	-	-	-
<b>Net Assets</b>	<b>-</b>	<b>-</b>	<b>17,937</b>	<b>17,937</b>

# WELLSPRING ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### 33) Teaching School trading account

Income	£000	£000	2021 £000	£000	£000	2020 £000
Grants		187			148	
Trading activities		16			132	
Income from the Trust		18			19	
			221			299
<b>Expenditure</b>						
<b>Direct costs</b>						
Direct staff costs	80			201		
Other direct costs	62			60		
Total direct costs		142			261	
<b>Support costs</b>						
Support staff costs	44			52		
Staff development and other staff costs	2			6		
Premises costs	3			12		
Professional fees	1			1		
Other support costs	13			17		
Expenditure to the Trust	55			50		
Total support costs		118			138	
Total operating costs			260			399
<b>Surplus/(deficit) during the year</b>			(39)			(100)
<b>Surplus/(deficit) brought forward at 1 September</b>			158			258
<b>Surplus/(deficit) carried forward at 31 August</b>			119			158

The Trust took over the running of Positive Regard Teaching School (previously Barnsley Teaching School Alliance) during year ended 31 August 2018. From 1 September 2021 Official Teaching School status ended.

### 34) Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the Academy Trust received £9,635 and disbursed £3,600 from the fund. An amount of £10,129 is included in other creditors relating 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 2020 are £10,446 received, £6,352 disbursed and £4,094 included in other creditors.

### 35) Events after the end of the reporting period

On 14 September 2021 the closure of Springwell Lincoln City Academy was approved by the Secretary of State. The Academy had been dormant due to commissioning needs being met within the Trust's other Lincolnshire based Alternative Academies.

On 1 September 2021 Horncastle Primary School, Lincolnshire, converted and joined the Trust.