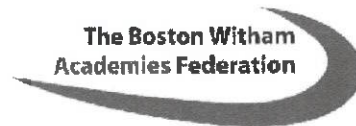


**The Boston Witham Academies Federation  
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**Year ended 31 August 2020**



Company Registration Number:  
08158309 (England and Wales)

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
**(A company limited by guarantee)**

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**CONTENTS**

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	<b>Page</b>
Contents	1
Reference and Administrative Details	2 - 3
Trustees' Report	4 - 16
Governance Statement	15 - 21
Statement on Regularity, Propriety and Compliance	22
Statement of Trustees' Responsibilities	23
Independent Auditor's Report to the Members	24 - 26
Independent Auditors Report on Regularity	27 - 28
Statement of Financial Activities incorporating Income & Expenditure Account	29 - 30
Balance Sheet	31
Cash Flow Statement	32
Notes to the Financial Statements, incorporating: Accounting Policies Other Notes to the Financial Statements	33 - 69

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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Members	J Aston – appointed 5 September 2019 A Buxton T Elmer – resigned 12 September 2019 M Fox J Gordon – appointed 29 September 2020 H Myers – appointed 28 April 2020
Trustees	R Chatterton – appointed 14 January 2020 J Gale – resigned 13 July 2020 S Johnson – appointed 21 April 2020, resigned 15 September 2020 J McGarel C Penney D Radford C Shephard – resigned 15 September 2020 J Wrigglesworth
Senior management team	Chief Executive Officer and Accounting Officer – E Hadley from 1 January 2020 Chief Education Officer – H Joyce Chief Financial Officer – J Jackson Chief Operations Officer – W Oldfield from 1 August 2020 Headteacher, Carlton Road Academy – T Brown Headteacher, Fishtoft Academy – J Bland Headteacher, Gosberton Academy – T Baxter Headteacher, Haven High Academy – M Van Lier Headteacher, Park Academy – S Gray Headteacher, Boston Pioneers Free School – J Bland Headteacher, Staniland Academy – R Hydes Headteacher, Wygate Park Academy – C Early
Registered Office	Marian Campus, Marian Road, Boston, Lincolnshire, PE21 9HB
Company Registration Number	08158309

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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Auditors	Duncan & Toplis Limited, 15 Chequergate, Louth, Lincolnshire, LN11 0LJ
Bankers	Barclays Bank plc, 62 Market Place, Boston, Lincolnshire, PE21 6LU  HSBC Bank Plc, 53-54 Market Place, Boston, Lincolnshire, PE21 6LS
Solicitors	Browne Jacobson LLP, Mowbray House, Castle Meadow Road, Nottingham, NB2 1BJ

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

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**TRUSTEES' REPORT**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

During the year the Academy Trust operated eight Academies in Lincolnshire, one secondary and seven primary Academies. The Academy Trust has a combined pupil capacity of 3,585 and had a roll of 3,316 in the school census in October 2019.

<b>Academy</b>	<b>Capacity</b>	<b>On roll</b>
Carlton Road Academy	420	393
Fishtoft Academy	70	51
Gosberton Academy	140	125
Haven High Academy	1,275	1,160
Park Academy	420	368
Boston Pioneers Free School	420	403
Staniland Academy	630	587
Wygate Park Academy	210	229

#### **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 Director's act as the trustees for the charitable activities of The Boston Witham Academies Federation and are also the Directors of the Charitable Company for the purposes of company law. The charitable company is known as The Boston Witham Academies Federation.

Details of the Directors who served throughout the year are included in the Reference and Administrative Details on page 2.

##### 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 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.

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (continued)**

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*Method of Recruitment and Appointment or Election of Trustees*

The Articles outline the different types of Director, each category has slightly differing election processes, as outlined below:

- Up to 8 Directors, appointed under Articles 50 by the members.
- There shall be a minimum of 2 Parent Directors elected or appointed under Articles 53-56 in the event that no Local Governing Bodies are established under Article 100a or if no provision is made for at least 2 Parent Local Governors on each established Local Governing Body pursuant to Article 101A.
- The Directors may appoint any Co-opted Directors.
- The Chief Executive Officer, if they agree to act.
- The Secretary of State may appoint such Additional Directors as he thinks fit.
- For so long as the Academy Trust occupies all or part of the Former St Bede's Site, the Diocesan Bishop shall be entitled to appoint one Director and by like notice remove and/ or replace any such appointee.

The term of office for any Director shall be 4 years, save that this time limit shall not apply to the Chief Executive Officer. Subject to remaining eligible to be a particular type of Director, any Director may be re-appointed or re-elected.

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

There is no formal agreed induction programme for newly appointed Directors. At present the Chief Executive Officer and Chair spend time with new Directors in order to inform them fully of the workings of the Trust and their responsibilities.

The training and induction provided for new Directors will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new Directors are given the opportunity to tour each of the academies' and the chance to meet with staff and students.

All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors. As there are normally few new Directors a year, induction tends to be done informally and is tailored specifically to the individual.

*Organisational Structure*

The Board of Directors of the Trust has devolved the day-to-day running of each academy school to the Local Governing Bodies, who have responsibility to monitor pupil and student outcomes, the quality of the curriculum, safeguarding, attendance and the setting of policies which are pertinent to each individual academy.

The Board of Trustees are responsible for setting Trust wide policies, adopting the Trust Improvement Plan and budget, monitoring performance against these plans and making major decisions about the direction of the Trust, including the curriculum, the achievement and welfare of its pupils, students and staff.

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
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**TRUSTEES' REPORT (continued)**

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Other sub-committees of the Trust include:

- Finance and Audit
- Curriculum and Standards
- Estates
- People

The terms of reference and the frequency of meetings are reviewed throughout the year. Each sub-committee has its own terms of reference, detailing the delegated powers.

Within each academy, the Head of Academy is supported by a senior leadership team. The Trust Support Team which consists of a Maths lead, Literacy Lead, Curriculum Lead, EYFS/KS1 Lead and a Data Strategy Officer provides support for each academy as per the needs of the academy. The support provided by central Trust team is co-ordinated and led by the Chief Education Officer.

All primary academies utilise the extended services team, which provides support for SEND, safeguarding and attendance.

All academies are supported by Connect TSA, who provide a wide range of CPD activities.

Arrangements for setting pay and remuneration of key management personnel

The Directors of the Trust are responsible for setting pay and remuneration of key management personnel. Each position has a scale attached to the post, with any variations needing to be approved by the Directors or relevant subcommittee. Each year key management personnel are appraised by the Chief Executive Officer or Chief Education Officer based on the targets set during the previous academic year. Following the appraisal, the Chief Executive Officer makes recommendations to the People committee for consideration. The Chief Executive Officer's appraisal is performed by the People committee which consists of 3 Directors and receives advice from an independent education advisor.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
4	4

Percentage of time spent on facility time

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

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
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**TRUSTEES' REPORT (continued)**

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Percentage of pay bill spent on facility time

Total cost of facility time	£0
Total pay bill	£11,491,000
Percentage of the total pay bill spent on facility time	n/a

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	n/a
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Connected Organisations, including Related Party Relationships

Connect Teaching School continues to be a partner in the sector led system, continuing to support and lead aspects of school improvement across the county. It has increased the number of LLEs assigned to the teaching school, as well as recruiting several SLEs whose specialisms include EY, SEND and attendance.

In light of the COVID19 pandemic, Connect is integral to the Recover Lincolnshire agenda, with mathematics support provided for county wide schools. A new aspect of the work planned for the new academic year is working with colleagues on the Early Adopter framework for Early Years.

Connect once again has successfully trained 12 SCITT trainees, with 8 already on the programme for September 2020. All trainees have all highly recommended the course for others, due to the quality of delivery and pastoral care they received. In the 2020-2021 academic year, Connect will be working alongside Ambition Institute to support NQTs with the Early roll out of the Early Career Framework.

In light of the new Early Careers Framework, Connect Teaching School worked with other Lincolnshire teaching schools in structuring a new ITE curriculum for September 2020. In the new academic year, it will delivering a range of Early Career CPD opportunities in collaboration with Charter Teaching School. Despite the challenges of Covid, trainees have reported feeling highly supported and prepared for their next steps.

Connect delivered a full range of events across the calendar year, with over 40 schools participating. Over 400 attendees participated in CPD, supporting and improving their own practice and leadership through an extensive offer provided by the teaching school.

The Trust work in partnership with the Bell Foundation, with the Trust redesignated as a Centre of Excellence, working alongside colleagues in delivering the Language for Results programme.

Engagement with employees

The Academy Trust's senior leadership team is committed to provide employees with information on matters of concern to them. The team meet on a monthly basis, enabling the Executive to share information and consult with academy leaders on the direction and performance of the Trust. In turn academy leaders, through their programme of staff meetings and briefings, share information and consult with their staff appropriately. Where significant changes are being considered, Trust wide consultations, managed centrally, especially where decisions are likely to affect employees interests are performed. Due to restrictions adopted during the Coronavirus pandemic a significant amount of engagement with staff was conducted via digital means rather than face-to-face.



**THE BOSTON WITHAM ACADEMIES FEDERATION**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (continued)**

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The policy of the Academy Trust is to support recruitment and retention of students and employees with disabilities. The Academy Trust does this by adapting the physical environment, by making resources available and through training and career development.

*Engagement with suppliers, customers and others in a business relationship with the trust*

Delivering our aims and objectives requires strong mutually beneficial relationships with suppliers, customers and other stakeholders to be formed. In developing these relationships, the Academy Trust focuses on the 4 core aims and how the relationship is developed to help achieve these aims.

The trustees receive information from the executive throughout the year on a variety of topics, that indicate how stakeholders have been engaged. Examples include, minutes of local governing body meetings, employee consultations results, project appraisals and prompt payment data reporting.

**Objectives and Activities**

*Objects and Aims*

The Articles outline the Company's objectives:

- To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the Academies by offering a broad and balanced curriculum; and
- To promote for the benefit of the inhabitants of Boston and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need for 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 the said inhabitants.

The Boston Witham Academies Federation's principle aim is to ensure that pupils of primary age, and students of secondary age, are provided with the best educational experiences, meeting the needs of each individual learner in order to maximise their full potential.

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
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**TRUSTEES' REPORT (continued)**

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The main objectives of the Trust during the year ended 31<sup>st</sup> August 2020 are summarised below:

1. Increase the percentage of pupils achieving age related or above in reading, writing and maths in all primary academies
2. Improve the Progress 8 measure within the secondary academy
3. Improve the progress of our pupils with special educational needs and disabilities
4. Ensure that attendance figures are above National

The ethos of the Trust now is one based on autonomy, where possible, and sustainable school improvement. All schools within the Trust have equal access to the professional expertise and development opportunities from the central team and through the Teaching School: Connect Teaching School Alliance. The teaching school has been operational for 5 years and not only supports all of the Trust schools, but also the wider area across the Local Authority.

The Trustees have reviewed the activities undertaken by the Trust during the past year to further its charitable purpose for the public benefit. The main strategies and activities in the year included:

- A new Chief Executive Officer started with the Trust on 1 January 2020
- New strategic aims and priorities were agreed and adopted for the Trust
- Establishing a new executive team, following a review of roles and responsibilities
- Recruitment of a Chief Operations Officer
- Completion of the Ofsted inspection at Gosberton Academy and Park Academy
- Introduction of EYFS/KS1 and Curriculum leads, in post from September 2019, providing targeted support within all the academies
- Regular meetings conducted between Heads of Academy and Attendance Team

The Trustees acknowledge that the last 12 month period has been seriously disrupted by the global pandemic and the impact of Covid 19 on educational provision and outcomes. During the second six months of the academic year the Trust was rightly focused on the safety and welfare of the pupils and staff team members and providing a new remote educational provision.

All academies and the Trusts responses during the pandemic included -

- Providing childcare, including during holiday periods, to vulnerable pupils and families of critical workers
- Making regular safeguarding and welfare checks
- Providing remote learning including through work packs, live streamed or recorded lessons, signposting to national online providers
- Providing free school meals vouchers every week
- Following government guidance

**Public Benefit**

The Trustees confirm that they have complied with the duty to have due regard to the Charity Commission's general guidance on public benefit, "*Charities and Public Benefit*".

TRUSTEES' REPORT (continued)

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**Strategic Report**

Achievements and Performance

Despite the challenges presented in the year, all leaders within the Trust were committed to ensuring that each setting remained open, serving the needs of their local community. For those learners who were not in attendance until June 2020, each academy provided learners with home learning opportunities as well as supporting the well-being of learners and their families. Haven High Academy led the way with their approach to home learning, streaming live lessons to all year groups. This was extremely successful and very well received by both students and parents, with the Headteacher sharing their journey with secondary colleagues across the county. Headteachers ensured a smooth transition back into school, with the learners displaying great positiveness on their return to school.

Headteachers ensured a robust system of transition for new pupils in Early Years, with families welcomed and introduced to their new school through a variety of strategies. Transition of pupils into Year 7 was well supported, with transition booklets provided for them to experience aspects of the curriculum on offer.

Our students at Haven High Academy were delighted with their results in August. The academy continues to go from strength to strength, improving on the results achieved in August 2019. The number of students achieving 5 qualifications including English and Maths was 51 % an increase of 12% from 2019. The students leave Haven High Academy well prepared for their next phase in their education, channelled by a strong ethos towards Career Education, in which the commitment and standard of delivery was recognised by the awarding of the Career Mark – The 'National Quality in Careers Standard'.

**Ofsted Inspections**

Two academies had Ofsted inspections during the academic year, with the outcomes as follows:

Gosberton Academy- Requires Improvement

Park Academy- Good

Currently, 2 academies are outstanding, 4 good and 2 requires improvement.

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
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**TRUSTEES' REPORT (continued)**

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Key Financial Performance Indicators

	2020	2019
	£000	£000
Income (excluding transfer on conversion)	20,068	19,424
Expenses	21,775	19,958
Net income	(1,707)	(534)
Net income (excluding FRS17 adjustment)	(330)	286
Wages % of expenses	77.17%	73.54%
Pupil capacity %	92.50%	88.76%

Key Non Financial Performance Indicators

The following indicators are key to measuring our success:

- Outcomes and progress measures for all learners and all groups of learners
- Quality of the curriculum
- Overall pupil attendance rates
- Overall fixed term and permanent exclusion rates with an added focus on those eligible for pupil premium funding and those with special educational needs
- Ofsted judgements covering overall effectiveness, quality of education, behaviour and attitudes, personal development and leadership and management
- Outcomes of safeguarding, personal development, well being and behaviour reviews
- Effective use of the Pupil Premium funding and strategy in order that the disadvantaged gap continues to close across all outcomes
- Feedback from parents, families and our local communities
- Adherence to financial probity and financial viability
- Number of new schools/academies joining the trust
- Number of external agencies and strategic partners linked to the organisation
- Academies are full or growing
- External and internal audit reports
- Operating model 'fit for purpose' and value for money
- Learning environments and premises are enjoyable places to learn in and work in
- Staff retention, recruitment promotion and exit surveys

Going Concern

After making appropriate enquiries, the Board 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 Accounting Policies note of the financial statements.

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (continued)**

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**Financial Review**

Most of the Academy Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year, the Academy Trust received total funding of £20,068,000 compared to total resources expended of £21,775,000 to give a deficit for the year of £1,707,000. The Trust made a significant investment into fixed assets during the year totalling £166,000.

Taking into account the brought forwards from 2019, the Academy Trust has £3,666,000 in accumulated revenue reserves carried forward.

**Reserves Policy**

The Academy Trust's 'free' reserves are its funds after excluding restricted funds. 'Reserves' are therefore the resources the Academy Trust has or can make available to spend for any or all of the Academy Trust's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'free reserves' represent income to the Academy Trust which is to be spent at the Trustees' discretion in furtherance of any of the Trust's objects but which is not yet spent, committed or designated.

The Trustees review the reserve levels of the Academies with the Academy Trust annually. This review encompasses the nature of income and expenditure streams. The Trustees have determined that the appropriate level of free reserves should provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The level of restricted funds at the period end, excluding the restricted fixed asset fund; endowment fund and the pension reserve, amounted to £2,778,000. The Trustees consider an appropriate level of restricted general reserves to be 10% of each Academy's GAG income. Based on funding allocations for the 2020/21 academic year, all but two Academies within the Trust will have exceeded this target. The Trustees recognise the shortfall and are working to ensure all Academies within the Trust reach this level.

The total value of reserves at 31 August 2020 was £21,202,000 (2019: £23,345,000), of which £28,012,000 (2019: £27,168,000) is realisable from the sale of fixed assets.

At the year end the Academy Trust was advised by the actuary to the Local Government Pension Scheme that the pension liability to fund non-academic staff's was £9,589,000 in deficit. Of this amount £2,025,000 was recognised on conversion to an Academy Trust on 1 September 2012. The Academy Trust is making the appropriate contributions, as advised by the actuary to reduce the deficit.

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (continued)**

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Investment policy

The Boston Witham Academies Federation aims to manage its cash balances to provide for the day-to-day financial management of the Trust. Where there are sufficient funds to meet all the trust's financial commitments, and surplus funds exist, the trust seeks to optimise returns but ensure minimal risk. Where the board of directors has agreed an amount to be invested, the Chief Financial Officer is authorised to:

- a) transfer funds (for up to six months) to an interest-bearing deposit account with the Trust bankers.
- b) invest funds in collaboration with the trust investment advisors.

Invested funds will be reported to the Finance and Audit Committee at the next available meeting, outlining the maturity date and interest rate achieved. On maturity, the Trust will review the position and re-invest in-line with the policy. To minimise and limit the risk, the Trust will:

- Invest in instruments or otherwise that are themselves regulated products and are themselves regulated and/ or recognised by the FCA or its successor in the UK.
- Adopt a suitably diversified portfolio.
- Invest at least 80% of the investment funds in mainstream markets such as equities, fixed interest and cash.

The Trust will not directly, deliberately, or purposefully invest in following:

- Any organisation that is directly involved in indiscriminate weaponry.
- Any organisation that produces pornography.
- Any organisation where their principal business activity or focus is tobacco, alcoholic drink or gambling.

The Academy Trust aims to manage its cash balances to provide for the day-to-day working capital requirements for its operations.

**Principal Risks and Uncertainties**

The Trustees have assessed the major risks to which the Trust is exposed. The Trustees are satisfied that systems and procedures are in place to mitigate the exposure to major risks. Systems and procedures have been implemented covering both operational (e.g. in relation to teaching, health and safety, trips, vetting of new staff, supervision of Trust grounds) and financial risks (comprehensive system of internal controls explained in more detail in the Governance Statement).

The principal risks and uncertainties facing the Trust are as follows:

1. The Trust has considerable reliance on continued Government funding through the Education and Skills Funding Agency. While the current level of funding is expected to continue, there is no assurance that government policy or practice will remain the same, or that public funding will continue at the same level or on the same terms.
2. The Covid 19 global pandemic continues to place high risk and uncertainty to the Trust. The Trustees recognise the financial, educational and people management challenges now facing the Trust due to Covid and the need for the Trust to have an agile and flexible response to the extreme challenges faced on a daily and termly basis.

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

**TRUSTEES' REPORT (continued)**

3. As the Trust remains highly reliant on Government Funding, the Schools therefore remain highly reliant on pupil admissions. There exists a risk that one or more schools may not continue to attract sufficient pupil numbers to support current expenditure, and therefore income and expenditure applied to 5 year plans continues to be closely monitored.
4. The success of the Trust is reliant on the quality of its staff, the Trustees monitor and review policies and procedures to ensure continued development and training of staff, as well as ensuring there is clear succession planning.

**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**

<b>UK Greenhouse gas emissions and energy use data for the period September 2019 to 31 August 2020</b>	
Energy consumption used to calculate emissions (kWh)	1,584,133
Scope 1 emissions in metric tonnes CO2e	
Gas consumption	72.04
Owned transport – mini-buses	5.12
<b>Total scope 1</b>	<b>77.16</b>
Scope 2 emissions in metric tonnes CO2e	
Purchased electricity	264.11
Scope 3 emissions in metric tonnes CO2e	
Business travel in employee owned vehicles	9.48
<b>Total gross emissions in metric tonnes CO2e</b>	<b>350.75</b>
Intensity ratio	
<b>Tonnes CO2e per pupil</b>	<b>0.11</b>
<b>Quantification and Reporting Methodology:-</b>	
<ul style="list-style-type: none"> <li>• We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government’s Conversion Factors for Company Reporting.</li> </ul>	
<b>Intensity measurement</b>	
The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.	
<b>Measures taken to improve energy efficiency</b>	
<ol style="list-style-type: none"> <li>1. Implemented procedures for sustainable refurbishment and maintenance of buildings.</li> <li>2. Increased video conferencing technology for staff meetings, to reduce the need for travel between sites.</li> </ol>	

TRUSTEES' REPORT (continued)

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**Plans for Future Periods**

The Boston Witham Academies Trust has four clear and important main aims which encompass our vision and ambition for 2020-23:

- **Every Learner in BWAF is educated in a 'Good' academy** - where the quality of education reflects the highest standards and where behaviour, attitudes and outcomes are exemplary and consistent from everyone within the school community. We want every learner to enjoy their learning journey in our academies and have real choices for the future. We have a shared mission to deliver excellent teaching and learning every day.
- **BWAF is 'The Trust of parental choice'** – a leading educational organisation in our local communities that gives parents and communities confidence. We want to be parents 'first choice' and for our academies to be full or growing, vibrant places to learn. We believe every learner should have access to the best education whatever their starting point.
- **BWAF is 'The employer of choice'** – a family of academies and a central team that are great places to work. We want our staff development to be first class and to enable staff that are ambitious grow their careers with us. We want to ensure our CPD networks offer our staff significant professional development opportunities and we recruit and retain the very best people.
- **BWAF is 'The partnership of choice'** – an outward facing, collaborative and innovative learning focused organisation. We want external agencies and strategic partners to seek to work with us and for us to have excellent capacity to support others. Our reputation should reflect our strategic aims and priorities and attract likeminded thinkers and innovators.

Central actions for our MAT in 2020/21 include -

- Implement an ambitious Education Strategy for educational improvement across our MAT. This should ensure that quality first teaching and learning is consistently good, learning environment are stimulating and secure places to learn and leadership is ambitious, impactful and sustainable.
- Develop a strategic plan for IT that establishes technology as a vehicle for improvement and efficiency across the multi academy trust.
- Regularly evaluate and improve the effectiveness of our central services including developing a full suite of Service Level Agreements to ensure there is transparency and accountability at all levels.
- Ensure that Headteachers have transparency of services and are confident they are receiving good value for money.
- Set up a Senior Leadership Team forum for the Heads to meet regularly with the Executive Team in order to shape and influence the strategic direction of the Trust.
- Undertake a full Governance review
- Change the name and branding of the MAT to reflect its growth ambition and new future plans.
- Develop marketing and communication strategies including use of social media to meet our strategic aims and reenergise websites and all corporate branding.
- Proactively generate more income through bid writing, sourcing additional funding and commercial opportunities such as lettings.
- Review Scheme of Delegation to give Heads more autonomy and increased delegation across the organisation with appropriate checks and controls.
- Develop effective Trust data and information systems that work together to provide us with meaningful information to help us improve.



**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

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**TRUSTEES' REPORT (continued)**

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- Improve the learning environment at Haven High (replace mobile classrooms) and manage capital projects across the Trust.
- Develop a Trust Recruitment and Retention strategy and invest in a Trust HR system.

**Employment of disabled persons**

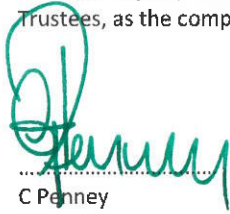
The policy of the Academy Trust is to support recruitment and retention of students and employees with disabilities. The Academy Trust does this by adapting the physical environment, by making resources available and through training and career development.

**Auditor**

Insofar as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the Members of the Board of Trustees, as the company Directors, on 14 December 2020 and signed on its behalf by:



.....  
C Penney  
Chair

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**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

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**GOVERNANCE STATEMENT**

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**Scope of Responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that The Boston Witham Academies Federation 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 Directors' has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Boston Witham Academies Federation and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors' 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 Directors' has formally met nine times during the year. Attendance during the year at meetings of the governing body was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
R Chatterton	4	5
J Gale	7	9
S Johnson	3	4
J McGarel	8	9
C Penney	9	9
D Radford	7	9
C Shephard	7	9
J Wrigglesworth	6	9

Staff members, including those from the executive team attended trustee meetings during the year as management by invitation.

During the year the Directors continued with reviewing the committee structures, reviewing the subcommittee members and local Governing Bodies to ensure the appropriate skills are held.

During the previous year the Trust completed an external review of governance, performed by an NLG. The main points from the review included:

- Clearly defining the role of the members
- Ensure the clerk obtains appropriate CPD to enable them to develop a clear and consistent approach
- Consider how to improve communication between all levels of governance
- Consider how best to monitor and improve the impact of governance through self-evaluation at all levels of governance.

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
**(A company limited by guarantee)**

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**GOVERNANCE STATEMENT (continued)**

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The Trust set up a working party, involving both Directors and Governors to discuss and recommend changes to governance across the Trust following the review. This body of work was delayed during the year due to the global pandemic. A consultation has been launched in the 2020/2021 academic year to gather views of stakeholders on proposed changes.

The Finance and Audit Committee is a sub-committee of the Main Board of Trustees. Its purpose is to ensure sound management of the Trust's finances and resources, including proper planning and application of resources, monitoring and probity. Attendance at meetings during the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
R Chatterton	3	3
S Coleman (non-Director member)	2	6
S Johnson	2	2
J McGarel	5	6
C Penney	6	6

The Estates Committee is a sub-committee of the main Board of Trustees. Its purpose is to develop, implement and monitor the Trust estates strategy, including monitoring the Health and Safety strategy across the Trust. Attendance at meetings during the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
C Penney	4	4
S Welbourn (non Director member)	3	4
J Wrigglesworth	2	4

The People committee is a sub-committee of the main Board of Trustees. Its purpose among those set out in its Terms of Reference is to monitor HR issues and carry out the performance management process of the CEO. Attendance at meetings during the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
J McGarel	2	2
C Penney	2	2
C Shephard	1	2

The Curriculum and Standards Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor and advise the Board regarding the performance and standards of the Trust Academies. Attendance at meetings during the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
J Barkham (non Director member)	3	3
J Gale	3	3
C Shephard	3	3
N Taylor (non Director member)	2	3

#### **Review of Value for Money**

As Accounting Officer the Chief Executive Officer 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 BOSTON WITHAM ACADEMIES FEDERATION**  
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**GOVERNANCE STATEMENT (continued)**

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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 by:

- The avoidance of waste and extravagance;
- Ensuring all financial transactions represent value for money;
- Services and contracts have been appraised and negotiated to get the best mix of quality and effectiveness for the least cost;
- Economies of scale are used by reducing and sharing administration and central costs across the Academy Trust;
- Exploring how cash, bank balances and investments are used to maximum effect;
- Staffing levels and structures are regularly reviewed to ensure efficient deployment to support an improved curriculum for the pupils and students of the Academy Trust;
- Careful monitoring of additional finance streams intended to support individual pupils and students (for example those requiring one to one support, pupil premium and gifted and talented);
- Receiving regular monitoring reports/health checks from external, independent accountancy audits.

In addition, the Accounting Officer meets termly with the Finance sub-committee to ensure the best possible educational and wider societal outcomes through the economic, efficient and effective use of all resources in the Academy Trust's charge.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 The Boston Witham Academies Federation for the period 1 September 2019 to 31 August 2020 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 period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**GOVERNANCE STATEMENT (continued)**

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**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 periodic financial reports which are reviewed and agreed by the Finance and Audit Committee;
- regular reviews by the Finance and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- to appoint Lincolnshire County Council Audit Services as internal auditor

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period include:

- ensuring delegated purchasing authority levels are being adhered to;
- testing of payroll systems including, checking approval of new starters and changes to the senior leadership team contracts;
- reviewing the appropriateness of financial reports;
- test checking of control accounts;
- review of appropriate board and committee meeting minutes, including oversight of ESFA financial returns;
- review and consideration of any management override issues.

On an annual basis, the internal auditor has reported to the Board of Trustees through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The auditor has delivered their schedule of work as planned and has not reported any material control issues as a result of the work.

THE BOSTON WITHAM ACADEMIES FEDERATION  
(A company limited by guarantee)

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GOVERNANCE STATEMENT (continued)

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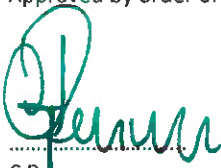
**Review of Effectiveness**

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

- the work of the internal auditor;
- the work of the external auditor;
- the school resource management self-assessment tool;
- 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 Finance and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Members of the Board on 14 December 2020 and signed on its behalf by:

  
.....  
C Penney  
Chair

  
.....  
E Hadley  
Accounting Officer

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
**(A company limited by guarantee)**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of The Boston Witham Academies Federation 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 ESFA terms and conditions of funding, 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 2019.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of 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 2019.

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' Body and ESFA.



E Hadley  
Accounting Officer

14 December 2020

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 14 December 2020 and signed on its behalf by:



.....  
C Penney  
Chair



**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF THE BOSTON WITHAM ACADEMIES  
FEDERATION**

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**Opinion**

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2020 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 2019 to 2020 issued by the Education & Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF THE BOSTON WITHAM ACADEMIES  
FEDERATION (continued)**

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**Other information**

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 Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. 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.

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

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

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

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

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

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF THE BOSTON WITHAM ACADEMIES  
FEDERATION (continued)**

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**Responsibilities of trustees**

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

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

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

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

**Use of our report**

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



Timothy Godson FCA (Senior statutory auditor)  
for and on behalf of  
Duncan & Toplis Limited  
Chartered Accountants and Statutory Auditors  
15 Chequergate  
Louth  
Lincolnshire, LN11 0LJ

Date:

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE BOSTON WITHAM ACADEMIES FEDERATION AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 26 November 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Boston Witham Academies Federation during the year 1 September 2019 to 31 August 2020 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 The Boston Witham Academies Federation and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Boston Witham Academies Federation and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Boston Witham Academies Federation and ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE BOSTON WITHAM ACADEMIES FEDERATION'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of The Boston Witham Academies Federation's funding agreement with the Secretary of State for Education dated 26 July 2012, and the Academies Financial Handbook extant from 1 September 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 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 Academies Accounts Direction 2019 to 2020 issued by EFSA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE BOSTON WITHAM  
ACADEMIES FEDERATION AND THE EDUCATION (continued)**

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**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 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Timothy Godson FCA (Senior Statutory Auditor)

**Duncan & Toplis Limited**  
15 Chequergate  
Louth  
Lincolnshire  
LN11 0LJ

Date:

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
(Incorporating income and expenditure account and statement of total recognised gains and losses)  
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
<b>INCOME AND ENDOWMENTS FROM:</b>						
Donations and capital grants	2	-	21	529	550	578
Transfer of existing academies into the trust		-	-	-	-	-
Other trading activities	3	45	61	-	106	105
Investment income		45	-	-	45	28
Funding for the Academy Trust's educational operations	5	211	19,019	-	19,230	18,396
Teaching school income	37	-	137	-	137	317
<b>TOTAL</b>		<b>301</b>	<b>19,238</b>	<b>529</b>	<b>20,068</b>	<b>19,424</b>
<b>EXPENDITURE ON:</b>						
Raising funds	4	15	-	-	15	17
Academy Trust's educational operations	6	627	19,986	1,012	21,625	19,668
Teaching school operations	6	-	135	-	135	273
<b>TOTAL</b>	6	<b>642</b>	<b>20,121</b>	<b>1,012</b>	<b>21,775</b>	<b>19,958</b>
<b>NET INCOME / (EXPENDITURE)</b>		<b>(341)</b>	<b>(883)</b>	<b>(483)</b>	<b>(1,707)</b>	<b>(534)</b>

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (continued)**  
(Incorporating income and expenditure account and statement of total recognised gains and losses)  
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Transfers between funds	23	498	(610)	112	-	-
<b>Other recognised gains/ (losses):</b>						
Actuarial gains / (losses) on defined benefit pension schemes		-	(460)	-	(460)	(2,858)
Unrealised gain on revaluation of investments			24	-	24	104
<b>NET MOVEMENT IN FUNDS</b>		<b>157</b>	<b>(1,929)</b>	<b>(371)</b>	<b>(2,143)</b>	<b>(3,288)</b>
<b>Reconciliation of funds</b>						
<i>Total funds brought forward</i>		731	(4,882)	27,496	23,345	26,633
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>888</b>	<b>(6,811)</b>	<b>27,125</b>	<b>21,202</b>	<b>23,345</b>

All activities relate to continuing operations.

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

The notes on pages 33 to 69 form part of these financial statements.

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**  
**REGISTERED NUMBER: 08158309**

	Note	2020		2019	
		£000	£000	£000	£000
<b>FIXED ASSETS</b>					
Intangible assets	16		-		-
Tangible assets	17		26,405		27,168
Investments	18		1,607		1,604
			<u>28,012</u>		
<b>CURRENT ASSETS</b>					
Stocks	19	2		8	
Debtors	20	1,526		1,481	
Cash at bank and in hand		2,996		2,433	
		<u>4,524</u>		<u>3,922</u>	
<b>CREDITORS: amounts falling due within one year</b>	21	<u>(1,726)</u>		<u>(1,563)</u>	
<b>NET CURRENT ASSETS</b>			<u>2,798</u>		<u>2,359</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>30,810</u>		<u>31,131</u>
<b>CREDITORS: amounts falling due after more than one year</b>	22		<u>(19)</u>		<u>(34)</u>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITY</b>			<u>30,791</u>		<u>31,097</u>
Defined benefit pension scheme liability	34		<u>(9,589)</u>		<u>(7,752)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<u>21,202</u>		<u>23,345</u>
<b>FUNDS OF THE ACADEMY TRUST</b>					
Restricted funds:					
General Restricted funds	23	2,778		2,870	
Restricted fixed asset funds	23	27,125		27,496	
Restricted funds excluding pension liability		<u>29,903</u>		<u>30,366</u>	
Pension reserve		<u>(9,589)</u>		<u>(7,752)</u>	
Total restricted funds			<u>20,314</u>		<u>22,614</u>
Unrestricted funds	23		888		731
<b>TOTAL FUNDS</b>			<u>21,202</u>		<u>23,345</u>

The financial statements were approved by the Trustees, and authorised for issue, on 14 December 2020 and are signed on their behalf, by:

C Penney  
Chair of Trustees

E Hadley  
Chief Executive Officer and Accounting Officer

The notes on pages 33 to 69 form part of these financial statements.



**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Year 31 August 2020 £000	Year 31 August 2019 £000
<b>Cash flows from operating activities</b>			
Net cash provided (used in) operating activities	27	149	(170)
<b>Cash flows from investing activities</b>			
	28	429	(1,469)
<b>Cash flows from financing activities</b>			
	29	(15)	(21)
<b>Cash balances inherited on transfer of academies into the trust</b>		-	-
<b>Change in cash and cash equivalents in the reporting period</b>		<b>563</b>	<b>(1,660)</b>
Cash and cash equivalents at 1 September 2019		2,433	4,093
<b>Cash and cash equivalents at 31 August 2020</b>	31	<b>2,996</b>	<b>2,433</b>

The notes on pages 33 to 69 form part of these financial statements.

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements of the Academy Trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Boston Witham Academies Federation meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in British pounds and rounded to the nearest thousand.

**1.2 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 and include grants from the Department for Education.

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

**1.3 Going concern**

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

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**ACCOUNTING POLICIES (continued)**

**1.4 Incoming resources**

All incoming resources are included in the Statement of financial activities when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

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 is certainty of receipt and it is measurable.

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's policies.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**ACCOUNTING POLICIES (continued)**

**1.5 Resources expended**

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the Academy Trust's educational operations.

Redundancy or termination payments are recognised at the best estimate of the expenditure that would be required to settle the obligation at the reporting date.

Governance costs include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

**1.6 Intangible fixed assets**

Intangible assets costing more than £10,000 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:

Computer software            - 33% straight line

**1.7 Investments**

Investments have been classified as fixed assets where it is the intention to retain them for more than one year. They are included in the balance sheet at market value.

All realised and unrealised gains and losses have been included in the statement of financial activities.

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**ACCOUNTING POLICIES (continued)**

**1.8 Tangible fixed assets and depreciation**

All assets costing more than £10,000 are capitalised.

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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use. Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 2% straight line
Long Leasehold property	- Over the remaining life of the lease
Motor vehicles	- 25% straight line
Fixtures and fittings	- 25% straight line
Computer equipment	- 10% and 33% straight line
Building refurbishments	- 10% straight line

**1.9 Stock**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.10 Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.11 Debtors**

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

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**ACCOUNTING POLICIES (continued)**

**1.12 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 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.

**1.13 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.

**1.14 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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.15 Financial Instruments**

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

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 20. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 21 and 22. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**ACCOUNTING POLICIES (continued)**

**1.16 Pensions**

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 and the assets are held separately from those of the Academy Trust.

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 quinquennial valuations using a prospective benefit method. As stated in note 34, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded 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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**ACCOUNTING POLICIES (continued)**

**1.17 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 change in these assumptions, which are disclosed in note 34, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pension liability at 31 August 2020. 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.

**1.18 Transfer on conversion**

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.



**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**2. DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Donations	-	21	21	2
Donated fixed assets	-	-	-	-
Capital grants	-	529	529	576
Other voluntary income	-	-	-	-
<b>Voluntary income</b>	<b>-</b>	<b>550</b>	<b>550</b>	<b>578</b>

**3. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Lettings income	16	-	16	44
Catering income	17	-	17	30
Sale of goods	11	-	11	10
Receipts from supply teacher insurance claims	-	59	59	13
Other income	1	2	3	8
	<b>45</b>	<b>61</b>	<b>106</b>	<b>105</b>

**4. EXPENDITURE ON RAISING FUNDS**

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Other expenses	10	-	10	17
Wages and salaries	5	-	5	-
	<b>15</b>	<b>-</b>	<b>15</b>	<b>17</b>

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Funding for the Academy Trust's educational operations	211	19,040	19,251	18,396

**FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
<b>DfE/ESFA Revenue grants</b>				
General Annual Grant (GAG)	-	15,870	15,870	15,236
Start Up Grant	-	-	-	-
Pupil Premium	-	1,045	1,045	1,004
Other DfE/ESFA Revenue grants	-	1,260	1,260	594
	-	18,175	18,175	16,834
<b>Other Government grants</b>				
SEN 1 – 1 Funding	-	517	517	377
Other Local Authority revenue grants	-	216	216	646
Other government grants	-	3	3	28
	-	736	736	1,051
<b>Other income</b>				
Non-government grants	-	41	41	46
Catering income	147	-	147	219
Other income	64	67	131	246
	211	108	319	511
	211	19,019	19,230	18,396

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**6. EXPENDITURE**

	<b>Staff costs</b>	<b>Premises</b>	<b>Other costs</b>	<b>Total</b>	<i>Total</i>
	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<i>£000</i>
Expenditure on raising funds	5	-	10	15	17
Academy Trust's educational operations:					
Direct costs	14,296	584	1,696	16,576	15,025
Allocated support costs	2,394	1,661	994	5,049	4,643
	16,690	2,245	2,690	21,625	19,668
Teaching school operations:					
Direct costs	97	-	20	117	251
Allocated support costs	12	-	6	18	22
	109	-	26	135	273
	16,804	2,245	2,726	21,775	19,958

Net income/ (expenditure) for the period includes:

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Auditors' remuneration – audit services	17	15
Auditors' remuneration – other services	4	3
Internal auditors' remuneration	3	2
Operating leases – plant and machinery	22	-
Operating leases – other leases	9	9
Depreciation	929	959
Amortisation	-	-
Loss/(gain) on disposal of fixed assets	11	(10)

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**7. DIRECT COSTS**

	Teaching school £000	Educational Operations £000	Total 2020 £000	<i>Total 2019 £000</i>
Teaching and educational support staff costs	97	14,296	14,393	12,511
Educational supplies	5	627	632	868
Technology costs	-	353	353	428
Examination fees	-	114	114	109
Staff development	15	94	109	145
Other costs	-	163	163	256
Depreciation	-	929	929	959
	<b>117</b>	<b>16,576</b>	<b>16,693</b>	<b>15,276</b>

**8. SUPPORT COSTS**

	Teaching school £000	Educational Operations £000	Total 2020 £000	<i>Total 2019 £000</i>
Support staff costs	12	2,394	2,406	2,166
Recruitment and support	-	55	55	52
Premise costs	-	1,661	1,661	1,465
Catering	-	347	347	409
Other costs	6	260	266	300
Pension income	-	159	159	122
Technology costs	-	133	133	108
Governance	-	29	29	53
(Gain)/loss on disposal	-	11	11	(10)
	<b>18</b>	<b>5,049</b>	<b>5,067</b>	<b>4,665</b>

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**9. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	Activities Undertaken directly 2020 £000	Support Costs 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Academy Trust's educational operations	16,576	5,049	21,625	19,668
Teaching school operations	117	18	135	273

**10. COMPARATIVE INFORMATION**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
<b>INCOME AND ENDOWMENTS FROM:</b>				
Donations and capital grants	-	2	576	578
Transfer of existing academies into the trust	-	-	-	-
Other trading activities	90	15	-	105
Investment income	28	-	-	28
Funding for the Academy Trust's educational operations	371	18,025	-	18,396
Teaching school income	-	317	-	317
<b>TOTAL</b>	<b>489</b>	<b>18,359</b>	<b>576</b>	<b>19,424</b>
<b>EXPENDITURE ON:</b>				
Raising funds	17	-	-	17
Academy Trust's educational operations	314	18,395	959	19,668
Teaching school operations	-	273	-	273
<b>TOTAL</b>	<b>331</b>	<b>18,668</b>	<b>959</b>	<b>19,958</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**11. STAFF**

**a. Staff costs**

Staff costs were as follows:

	<b>Year</b>	<b>Year</b>
	<b>31 August</b>	<b>31 August</b>
	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	11,491	10,711
Social security costs	1,034	965
Operating costs of defined benefit pension schemes (Note 34)	3,682	2,491
Apprenticeship levy	43	39
Recovery of staff costs for employees seconded out of the organisation	-	(200)
	<b>16,250</b>	<b>14,006</b>
Supply staff costs	550	644
Staff restructuring costs	4	27
	<b>16,804</b>	<b>14,677</b>
Staff restructure costs comprise:		
Redundancy payments	-	-
Severance payments	4	27
Other restructure costs	-	-
	<b>4</b>	<b>27</b>

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

Included within staff restructuring costs are non-statutory/non-contractual severance payments totalling £477 (2019: £2,931).

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**11. STAFF (continued)**

**c. Staff numbers**

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

	<b>Year 31 August 2020 No.</b>	<i>Year 31 August 2019 No.</i>
Teaching staff	182	180
Admin and support staff	262	263
Management	11	9
	<b>455</b>	<i>452</i>

**d. Higher paid staff**

The number of employees whose emoluments fell within the following bands was:

	<b>Year 31 August 2020 No</b>	<i>Year 31 August 2019 No</i>
In the band £60,001 - £70,000	7	5
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	2	1
In the band £90,001 - £100,000	1	1
In the band £170,001 - £180,000	-	1
	<b>12</b>	<i>9</i>

12 (2019: 8) of the above employees participated in a pension scheme. During the year ended 31 August 2020 employer's pension contributions for these staff amounted to £196,263 (2019: £95,566).

**e. Key management personnel**

The key management personnel of the Academy Trust comprises of the trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £954,755 (2019: £964,720).

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**12. CENTRAL SERVICES**

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

- Executive leadership support
- Human Resources
- Financial Services
- Marketing and public relations
- Others as arising

The Academy Trust charges for these services at 5% of General Annual Grant. The actual amounts charged during the year were as follows:

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Haven High Academy	<b>317</b>	<i>305</i>
Carlton Road Academy	<b>94</b>	<i>96</i>
Staniland Academy	<b>115</b>	<i>116</i>
Wygate Park Academy	<b>42</b>	<i>32</i>
Park Academy	<b>97</b>	<i>94</i>
Boston Pioneers Free School	<b>81</b>	<i>71</i>
Fishtoft Academy	<b>16</b>	<i>16</i>
Gosberton Academy	<b>27</b>	<i>28</i>
<b>Total</b>	<b>789</b>	<i>758</i>

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**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**13. TRUSTEES' REMUNERATION AND EXPENSES**

No Trustee has been paid remuneration or received other benefits from employment with the Academy Trust.

During the year ended 31 August 2020, expenses totalling £624 (2019 - £636) were reimbursed to 1 Trustees (2019 – 1).

**14. TRUSTEES' 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.

**15. OTHER FINANCE INCOME**

	<b>Year</b>	<i>Year</i>
	<b>31 August</b>	<i>31 August</i>
	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Interest income on plan assets	<b>191</b>	<i>242</i>
Interest on pension scheme liabilities	<b>(350)</b>	<i>(364)</i>
	<b>(159)</b>	<i>(122)</i>

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

<b>16. INTANGIBLE FIXED ASSETS</b>	<b>Computer software £000</b>	<b>Total £000</b>
<b>Cost</b>		
At 1 September 2019	27	27
Additions	-	-
Donation of assets	-	-
Disposals	-	-
At 31 August 2020	<u>27</u>	<u>27</u>
<b>Amortisation</b>		
At 1 September 2019	27	27
Charge for the year	-	-
Disposals	-	-
At 31 August 2020	<u>27</u>	<u>27</u>
<b>Net book value</b>		
At 31 August 2020	<u>-</u>	<u>-</u>
At 31 August 2019	<u>-</u>	<u>-</u>

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

<b>17. TANGIBLE FIXED ASSETS</b>				
	Long Leasehold Property £000	Freehold land and buildings £000	Fixtures and fittings £000	Computer Equipment £000
<b>Cost</b>				
At 1 September 2019	21,221	8,200	1,716	1,526
Additions	8	62	78	18
Reclassification	-	-	-	-
Disposals	-	-	-	-
At 31 August 2020	<b>21,229</b>	<b>8,262</b>	<b>1,794</b>	<b>1,544</b>
<b>Depreciation</b>				
At 1 September 2019	3,088	-	1,155	1,309
Charge for the year	584	-	194	130
Reclassification	-	-	-	-
Disposals	-	-	-	-
At 31 August 2020	<b>3,672</b>	<b>-</b>	<b>1,349</b>	<b>1,439</b>
<b>Net book value</b>				
At 31 August 2020	<b>17,557</b>	<b>8,262</b>	<b>445</b>	<b>105</b>
At 31 August 2019	<i>18,133</i>	<i>8,200</i>	<i>561</i>	<i>217</i>
	Motor Vehicles £000	Assets Under Construction £000	Total £000	
<b>Cost</b>				
At 1 September 2019	137	-	32,800	
Additions	-	-	166	
Reclassification	-	-	-	
Disposals	-	-	-	
At 31 August 2020	<b>137</b>	<b>-</b>	<b>32,966</b>	
<b>Depreciation</b>				
At 1 September 2019	80	-	5,632	
Charge for the year	21	-	929	
Reclassification	-	-	-	
Disposals	-	-	-	
At 31 August 2020	<b>101</b>	<b>-</b>	<b>6,561</b>	
<b>Net book value</b>				
At 31 August 2020	<b>36</b>	<b>-</b>	<b>26,405</b>	
At 31 August 2019	<i>57</i>	<i>-</i>	<i>27,168</i>	

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**17. TANGIBLE FIXED ASSETS (continued)**

Additions to long leasehold land and buildings do not include any new leases taken on by the Academy Trust in the year.

Included within long leasehold property is leasehold land of £1,712,000 which is not depreciated.

**18. INVESTMENTS**

	<b>Total</b>
	<b>£000</b>
At 1 September 2019	1,604
Additions	325
Disposals	(346)
Revaluation	24
	1,607
At 31 August 2020	1,607

The academy trust held the following investments in excess of 5% of the total portfolio:

£80,444 – Allianz GLB Invest Strategic bond  
 £81,266 – Royal London Asset Sterling Extra YLD bond  
 £80,549 – Twentyfour corporate bond  
 £80,665 – Vanguard Inv SER UK Inv GRD bond  
 £97,017 – Vanguard Funds PLC  
 £103,842 – Scot Mort Inv TST

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Historical cost	<b>1,478</b>	<b>1,499</b>

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
**(A company limited by guarantee)**

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**19. STOCKS**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Clothing	-	-
Catering goods	-	6
Other	2	2
	<hr/>	<hr/>
	<b>2</b>	<b>8</b>
	<hr/> <hr/>	<hr/> <hr/>

**20. DEBTORS**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	21	17
VAT recoverable	111	279
Other debtors	973	856
Prepayments and accrued income	421	329
	<hr/>	<hr/>
	<b>1,526</b>	<b>1,481</b>
	<hr/> <hr/>	<hr/> <hr/>

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**21. CREDITORS: Amounts falling due within one year**

	2020	2019
	£000	£000
Other loans	15	15
Trade Creditors	307	477
Other taxation and social security	255	244
Other creditors	327	288
Accruals and deferred income	822	539
	1,726	1,563

Deferred income as at 31 August 2020 includes the following grant and non-grant income that relates to the year ended 31 August 2020:

	£000
Universal Infant Free School Meal income	172
Lettings income	5
Local authority income	111
Other	7

**Deferred income**

	2020
	£000
Deferred income at 1 September 2019	237
Resources deferred during the year	281
Amounts released from previous year	(223)
	295

**22. CREDITORS: Amounts falling due after more than one year**

	2020	2019
	£000	£000
Other loans	19	34

Included in other loans falling due after more than one year is £7,436 due to the ESFA in respect of loans relating to Condition Improvement Funds. The loans are interest-free and are due for repayment by September 2021.

Also included within other creditors falling due after more than one year is £11,388 in respect of a loan from Lincolnshire County Council. Interest is charged at 2.2%, and the loan is due for repayment by February 2023.

Included in other loans above is £n1 which is due for repayment after more than five years from the balance sheet date.

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**23. STATEMENT OF FUNDS**

	Brought Forward £000	Incoming Resources £000	Resources Expended £000	Transfers In/out £000	Gains/ (Losses) £000	Carried Forward £000
<b>Unrestricted Funds</b>						
Other income not for capital purposes	731	301	(642)	498	-	888
<b>Restricted funds</b>						
General Annual Grant (GAG)	2,618	15,870	(15,779)	(309)	24	2,424
Other DfE/ESFA Grants	139	2,442	(2,020)	(301)	-	260
Government grants	23	736	(757)	-	-	2
Other restricted income	90	190	(188)	-	-	92
Pension reserve	(7,752)	-	(1,377)	-	(460)	(9,589)
	(4,882)	19,238	(20,121)	(610)	(436)	(6,811)
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants	721	529	(114)	-	-	1,136
Capital expenditure from GAG	3,175	-	(488)	107	-	2,794
Capital expenditure from other income	16,037	-	(363)	5	-	15,679
Transfer of existing academies into the trust	7,563	-	(47)	-	-	7,516
	27,496	529	(1,012)	112	-	27,125
<b>Total restricted funds</b>	<b>22,614</b>	<b>19,767</b>	<b>(21,133)</b>	<b>-</b>	<b>(436)</b>	<b>20,314</b>
<b>Total of funds</b>	<b>23,345</b>	<b>20,068</b>	<b>(21,775)</b>	<b>-</b>	<b>(436)</b>	<b>21,202</b>

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**23. STATEMENT OF FUNDS (continued)**

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy Trust.

Other DFE / ESFA Grants comprise of various grants awarded for specific projects, in particular to boost standards of attainment. Grants include Pupil Premium funding which is intended to support education from pupils from a disadvantaged background.

Local Government Grants includes funding provided for pupils with Statements of Special Educational Needs and is used by the Academy Trust to assist with the pupils education.

Devolved capital funding is that provided to academies to use as it sees fit in areas such as improvements to buildings or facilities, or the repair or refurbishment of such.

Other capital grants are provided to the Academy Trust based on specific bids for individual projects.

Other income comprises various other receipts including school meals. The income is classed as restricted or unrestricted based on the nature of the income.

The pension reserve arises from the actuarial measurement of the Academy Trust's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid, and amounts to £1,377,000. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund, the movement this year being a net £460,000 actuarial increase in the net pension fund deficit.

Restricted fixed asset funds represent monies received in respect of and spent on fixed assets. This includes assets inherited on conversion. The total of resources expended within this fund includes the depreciation charge for the year. The transfers figure is the amount of other funds used to acquire fixed assets.

Under the 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 2020.



**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**23. STATEMENT OF FUNDS (continued)**

**Analysis of Academies by fund balance**

Fund balances at 31 August 2020 were allocated as follows:

	<b>Total 2020 £000</b>	<b>Total 2019 £000</b>
Haven High Academy	415	683
Carlton Road Academy	727	754
Staniland Academy	752	770
Wygate Park Academy	254	222
Park Academy	561	399
Boston Pioneers Free School	87	178
Fishtoft Academy	105	88
Gosberton Academy	64	39
The Boston Witham Academies Federation	701	468
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	3,666	3,601
Restricted fixed asset fund	27,125	27,496
Pension reserve	(9,589)	(7,752)
	<hr/>	<hr/>
<b>Total</b>	<b>21,202</b>	<b>23,345</b>
	<hr/> <hr/>	<hr/> <hr/>

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**23. STATEMENT OF FUNDS (continued)**

**Analysis of Academies by cost**

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs £000	Total £000
Haven High Academy	5,066	489	250	1,428	7,233
Carlton Road Academy	1,505	92	68	238	1,903
Staniland Academy	1,919	112	79	279	2,389
Wygate Park Academy	694	76	50	130	950
Park Academy	1,330	84	78	226	1,718
Boston Pioneers Free School	1,246	122	67	281	1,716
Fishtoft Academy	213	28	13	54	308
Gosberton Academy	422	39	29	95	585
The Boston Witham Academies Federation	1,059	1,090	(3)	521	2,667
FRS102 adjustments	732	486	-	159	1,377
Depreciation		-	-	929	929
	<b>14,186</b>	<b>2,618</b>	<b>631</b>	<b>4,340</b>	<b>21,775</b>

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**23. STATEMENT OF FUNDS (continued)**

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

	Brought Forward £000	Incoming Resources £000	Resources Expended £000	Transfers In/out £000	Gains/ (Losses) £000	Carried Forward £000
<b>Unrestricted Funds</b>						
Other income not for capital purposes	638	489	(331)	(65)	-	731
<b>Restricted funds</b>						
General Annual Grant (GAG)	2,190	15,236	(14,696)	(216)	104	2,618
Other DfE/ESFA Grants	106	1,915	(1,964)	82	-	139
Government grants	3	1,051	(1,031)	-	-	23
Other restricted income	90	157	(157)	-	-	90
Pension reserve	(4,074)	-	(820)	-	(2,858)	(7,752)
	<b>(1,685)</b>	<b>18,359</b>	<b>(17,913)</b>	<b>(134)</b>	<b>(2,754)</b>	<b>(4,882)</b>
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants	288	567	(52)	(82)	-	721
Capital expenditure from GAG	3,446	-	(487)	216	-	3,175
Capital expenditure from other income	16,319	9	(356)	65	-	16,037
Transfer of existing academies into the trust	7,627	-	(64)	-	-	7,563
	<b>27,680</b>	<b>576</b>	<b>(959)</b>	<b>199</b>	<b>-</b>	<b>27,496</b>
Total restricted funds	<b>25,995</b>	<b>18,935</b>	<b>(19,627)</b>	<b>65</b>	<b>(2,754)</b>	<b>22,614</b>
Total of funds	<b>26,633</b>	<b>19,424</b>	<b>(19,958)</b>	<b>-</b>	<b>(2,754)</b>	<b>23,345</b>

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**24. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Fixed assets	-	1,607	26,405	28,012	28,772
Current assets	888	2,916	720	4,524	3,922
Creditors due within one year	-	(1,726)	-	(1,726)	(1,563)
Creditors due within more than one year	-	(19)	-	(19)	(34)
Provisions for liabilities and charges	-	(9,589)	-	(9,589)	(7,752)
	<b>888</b>	<b>(6,811)</b>	<b>27,125</b>	<b>21,202</b>	<b>23,345</b>

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

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Fixed assets	-	1,604	27,168	28,772
Current assets	731	2,863	328	3,922
Creditors due within one year	-	(1,563)	-	(1,563)
Creditors due within more than one year	-	(34)	-	(34)
Provisions for liabilities and charges	-	(7,752)	-	(7,752)
	<b>731</b>	<b>(4,882)</b>	<b>27,496</b>	<b>23,345</b>

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**25. CAPITAL COMMITMENTS**

At 31 August 2020 the Academy Trust had capital commitments as follows:

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Contracted for but not provided in these financial statements	<b>7</b>	<i>59</i>

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**26. OPERATING LEASE COMMITMENTS**

At 31 August 2020 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>		<b>Other</b>	
	<b>2020</b>	<i>2019</i>	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>	<b>£000</b>	<i>£000</i>
<b>Expiry Date:</b>				
Within 1 year	<b>9</b>	<i>9</i>	<b>34</b>	<i>-</i>
Between 2 and 5 years	<b>35</b>	<i>35</i>	<b>111</b>	<i>-</i>
After more than 5 years	<b>974</b>	<i>982</i>	<b>-</b>	<i>-</i>

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**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**27. NET CASH FLOW FROM OPERATING ACTIVITIES**

	Year 31 August 2020 £000	Year 31 August 2019 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(1,707)	(534)
Adjusted for:		
Interest received	(45)	(28)
Assets and liabilities inherited	-	-
Depreciation of tangible fixed assets	929	959
Amortisation of intangible fixed assets	-	-
Loss on disposal of tangible fixed assets	-	-
Capital grants from DfE and other capital income	(529)	(576)
(Increase) / decrease in stocks	6	4
(Increase) / decrease in debtors	(45)	(427)
Increase / (decrease) in creditors	163	(388)
Defined benefit pension liability inherited	-	-
Defined benefit pension scheme finance cost	159	122
Defined benefit pension scheme cost less contributions paid	1,218	698
<b>Net cash provided by / (used in) Operating Activities</b>	<b>149</b>	<b>(170)</b>

**28. CASH FLOWS FROM INVESTING ACTIVITIES**

	Year 31 August 2020 £000	Year 31 August 2019 £000
Dividends, interest and rents from investments	45	28
Purchase of tangible fixed assets	(166)	(573)
Purchase of investments	(325)	(1,569)
Capital grants from DfE/ ESFA	529	567
Capital funding received from sponsors and others	-	9
Proceeds from sale of tangible fixed assets	-	-
Proceeds from sale of investments	346	69
<b>Net cash provided by / (used in) investing activities</b>	<b>429</b>	<b>(1,469)</b>

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**29. CASH FLOWS FROM FINANCING ACTIVITIES**

	Year 31 August 2020 £000	Year 31 August 2019 £000
Repayments of borrowing	(15)	(21)
Cash inflows from new borrowing	-	-
	<u>(15)</u>	<u>(21)</u>

**30. ANALYSIS OF CHANGES IN NET DEBT**

	At 1 September 2019 £000	Cash flows £000	Acquisition / disposal of subsidiaries £000	New finance leases £000	Other non - cash changes £000	At 31 August 2020 £000
Cash	2,433	563	-	-	-	2,996
Cash equivalents	-	-	-	-	-	-
Overdraft facility repayable on demand	-	-	-	-	-	-
	<u>2,433</u>	<u>563</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,996</u>
Loans falling due within one year	(15)	-	-	-	-	(15)
Loans falling due after more than one year	(34)	15	-	-	-	(19)
Finance lease obligation	-	-	-	-	-	-
	<u>2,384</u>	<u>578</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,962</u>

**31. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	At 31 August 2020 £000	At 31 31 August 2019 £000
Cash at bank and in hand	2,996	2,433
<b>Total cash and cash equivalents</b>	<u>2,996</u>	<u>2,433</u>

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**32. CONTINGENT LIABILITIES**

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy Trust is required either to re-invest the proceeds or to repay to the Secretary of State for Education and Skills the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy Trust serving notice, the Academy Trust shall repay to the Secretary of State sums determined by reference to:

- (a) the value at that time of the Academy Trust's site and premises and other assets held for the purpose of the Academy Trust: and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

At the year end the company was investigating several issues with the construction of one of its buildings. At this point it is not possible to quantify the value of the remedial works and so no provision is included within the financial statements.

**33. MEMBERS LIABILITY**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amounts 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**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **34. PENSION COMMITMENTS**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2016.

Contributions amounting to £309,555 were payable to the schemes at 31 August 2020 (2019 - £222,190) and are included within creditors.

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

##### **Introduction**

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

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

##### **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 pension costs paid to TPS in the period amounted to £1,666,749 (2019: £1,077,155).

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

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**34. PENSION COMMITMENTS (continued)**

Under the definitions set out in Financial Reporting Standard 102, 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 academy trust has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £1,043,920 (2019: £930,058), of which employer's contributions totalled £796,856 (2019: £716,231) and employees' contributions totalled £247,064 (2019: £213,827). The agreed contribution rates for future years are 19.4% for employers and between 5.5% and 12.5% for employees.

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 Principal actuarial assumptions at the Balance sheet date:

	<b>2020</b>	<b>2019</b>
Rate of increase in salaries	<b>2.5 %</b>	2.7 %
Rate of increase for pensions in payment/inflation	<b>2.2 %</b>	2.3 %
Discount rate for scheme liabilities	<b>1.7 %</b>	1.9 %

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

	<b>2020</b>	<b>2019</b>
Retiring today		
Males	<b>21.4</b>	21.2
Females	<b>23.7</b>	23.5
Retiring in 20 years		
Males	<b>22.4</b>	22.5
Females	<b>25.2</b>	25.2

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**34. PENSION COMMITMENTS (continued)**

The Academy Trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Fair value at 31 August 2020 £000	Fair value at 31 August 2019 £000
Equities	5,790	7,010
Bonds	1,678	1,536
Property	839	960
Cash	85	97
Total market value of assets	<u>8,392</u>	<u>9,603</u>
Present value of scheme liabilities	<u>(17,981)</u>	<u>(17,355)</u>
(Deficit)/surplus in the scheme	<u>(9,589)</u>	<u>(7,752)</u>

The amounts recognised in the Balance Sheet are as follows:

	Year 31 August 2020 £000	Year 31 August 2019 £000
Present value of funded obligations	(17,981)	(17,355)
Fair value of scheme assets	8,392	9,603
Net liability	<u>(9,589)</u>	<u>(7,752)</u>

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

	Year 31 August 2020 £000	Year 31 August 2019 £000
Current service cost	2,016	1,324
Net interest cost	159	122
Past service cost	-	89
Benefit changes, gains/(losses) on curtailments and gain/(loss) on settlements	-	-
Total operating charge	<u>2,175</u>	<u>1,535</u>
Return on scheme assets	<u>(2,301)</u>	<u>285</u>

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**34. PENSION COMMITMENTS (continued)**

Movements in the present value of the defined benefit obligation were as follows:

	Year 31 August 2020 £000	Year 31 August 2019 £000
Opening defined benefit obligation	17,355	12,301
Transfer in on existing academies joining the trust	-	-
Current service cost	2,016	1,324
Interest cost	350	364
Past service cost	-	89
Contributions by employees	247	213
Actuarial (gain)/ losses	(1,841)	3,143
Benefits paid	(146)	(79)
Closing defined benefit obligation	<b>17,981</b>	<b>17,355</b>

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

	Year 31 August 2020 £000	Year 31 August 2019 £000
Opening fair value of scheme assets	9,603	8,227
Transfer in on existing academies joining the trust	-	-
Interest income	191	242
Actuarial gain/ (losses)	(2,301)	285
Contributions by employer	798	715
Contributions by employees	247	213
Benefits paid	(146)	(79)
	<b>8,392</b>	<b>9,603</b>

The Academy Trust expects to contribute £824,000 to its Defined benefit pension scheme during the 2021 financial year.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2020	2019
Equities	69.00 %	73.00 %
Bonds	20.00 %	16.00 %
Property	10.00 %	10.00 %
Cash	1.00 %	1.00 %

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**34. PENSION COMMITMENTS (continued)**

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	<b>2020</b>	2019	2018	2017	2016
	<b>£000</b>	£000	£000	£000	£000
Defined benefit obligation	17,981	17,355	12,301	11,919	9,780
Scheme assets	8,392	9,603	8,227	6,887	4,229
Deficit	(9,589)	(7,752)	(4,074)	(5,032)	(5,481)
Experience Gains/ (Losses) on scheme liabilities	1,841	(3,143)	(1,471)	(1,321)	(2,625)
Experience Gains/ (Losses) on scheme assets	(2,301)	285	392	618	542

Sensitivity analysis:

	<b>2019</b>	2019
	<b>£000</b>	£000
Change in assumptions		
0.5% decrease in Real Discount Rate	<b>2,731</b>	2,667
0.5% increase in the Salary Increase Rate	<b>210</b>	344
0.5% increase in the Pension Increase Rate (CPI)	<b>2,478</b>	2,273

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**35. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the 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 during the financial period.

K Albelda, daughter of J Gale, a Trustee, was employed by the Academy Trust as a Deputy Head Teacher. K Albelda's appointment was made in open competition and J Gale was not involved in the decision making process regarding appointment. K Albelda is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

E McGarel, daughter of J McGarel, a Trustee, is employed by the Academy Trust as a teacher. E McGarel's appointment was made in open competition and J McGarel was not involved in the decision making process regarding appointment. E McGarel is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a Trustee.

G Joyce, son of H Joyce, the Acting CEO and Accounting Officer (until 31 December 2019), was employed by the Academy Trust as a finance assistant. G Joyce appointment was made in open competition and H Joyce was not involved in the decision making process regarding appointment. G Joyce is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to the Acting CEO and Accounting Officer.

CJ & CA Penney Consulting Ltd – a company in which Mr C Penney (a trustee) has a majority interest:

- The academy trust purchased PPE from CJ & CA Penney Consulting Ltd totalling £3,224 (2019: £nil) during the period. There were no amounts outstanding at 31 August 2020 (2019: £nil)
- In entering into the transaction, the academy trust complied with the requirements of the Academies Financial Handbook
- The purchase has been provided 'at no more than cost' and CJ & CA Penney Consulting Ltd has provided a statement of assurance confirming this.

**36. CONTROLLING PARTY**

The Trustees have ultimate control of the Academy Trust.

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**37. TEACHING SCHOOL TRADING ACCOUNT**

	<b>31 August 2020</b>	<b>31 August 2019</b>
	<b>£000</b>	<b>£000</b>
<b>Income</b>		
- Direct income	153	334
- Other income	-	-
<b>Total income</b>	<u>153</u>	<u>334</u>
<b>Direct costs</b>		
- Staff costs	111	232
- Educational supplies	5	16
- Training costs	17	18
- Other direct costs	-	-
<b>Total direct costs</b>	<u>133</u>	<u>266</u>
<b>Other costs</b>		
- Staff costs	18	22
- Other support costs	6	6
- Rent	12	12
<b>Total other costs</b>	<u>36</u>	<u>40</u>
<b>Total expenditure</b>	<u>169</u>	<u>306</u>
<b>Surplus/(Deficit) from all sources</b>	<u>(16)</u>	<u>28</u>
Teaching school balances at 1 September	97	69
<b>Teaching school balances at 31 August</b>	<u>81</u>	<u>97</u>