

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

Annual Report and Financial Statements

Year ended 31 August 2018



**Company Registration Number:
8158309 (England and Wales)**

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

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

REFERENCE AND ADMINISTRATIVE DETAILS

Members	A Buxton P Coote T Elmer M Fox
Trustees	D Elkington T Elmer J Gale J McGarel C Penney C Shephard J Wrigglesworth
Senior management team	Chief Executive Officer and Accounting Officer – A Reed Vice Chief Executive Officer – H Joyce Head of Academy, Carlton Road Academy – L Reed until 31 August 2018, T Brown from 1 September 2018 Head of Academy, Fishtoft Academy – T Brown until 31 August 2018, J Bland from 1 September 2018 Head of Academy, Gosberton Academy – S Gray until 31 August 2018, T Baxter from 1 September 2018 Head of Academy, Haven High Academy – E Hextall until 31 August 2018, M Van Lier from 1 September 2018 Head of Academy, Park Academy – R Hydes until 31 August 2018, S Gray from 1 September 2018 Head of Academy, Boston Pioneers Free School – J Bland Head of Academy, Staniland Academy – R Sykes until 31 August 2018, R Hydes from 1 September 2018 Head of Academy, Wygate Park Academy – C Early Chief Financial Officer – J Jackson
Registered Office	Marian Campus, Marian Road, Boston, Lincolnshire, PE21 9HB
Company Registration Number	8158309

THE BOSTON WITHAM ACADEMIES FEDERATION
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REFERENCE AND ADMINISTRATIVE DETAILS

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	Wilkin Chapman LLP, The Maltings, 11-15 Brayford Wharf East, Lincoln, LN5 7AY

THE BOSTON WITHAM ACADEMIES FEDERATION
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TRUSTEES' REPORT

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

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 3,335 and had a roll of 3,074 in the school census in October 2017.

Academy	Capacity	On roll
Carlton Road Academy	420	420
Fishtoft Academy	70	57
Gosberton Academy	140	131
Haven High Academy	1,025	1,033
Park Academy	420	382
Boston Pioneers Free School	420	294
Staniland Academy	630	594
Wygate Park Academy	210	163

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

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim.

TRUSTEES' REPORT (continued)

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 main Board of Directors of the Trust has devolved the day-to-day running of each of the constituent Academy schools to Local Governing Bodies, and responsibility for financial governance to the Finance and Audit Committee, buildings and estates to the estates committee. Whilst LGBs monitor and are responsible for pupil and student outcomes the Directors Standards subcommittee also monitors and holds Academies to account.

Each Academy within the Trust has its own individual Senior Leadership Team which includes the Head of Academy. The Chief Executive Officer and Vice Chief Executive Officer provide direction and support to the Heads of Academy.

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TRUSTEES' REPORT (continued)

An aim of this management structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that the Academies nurture the talents of its entire staff to support continual improvement and excellence.

The Board of Directors is responsible for setting the Academy Trust's policies, adopting the Academy Trust Improvement Plan and budget, monitoring performance against these plans and making major decisions about the direction of the Academy Trust including its curriculum, the achievement and welfare of students and staffing.

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 CEO based on the targets set during the previous academic year. Following the appraisal, the CEO makes recommendations to the Board of Directors for consideration. The CEO's appraisal is performed by the Pay and Performance 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%	3
1% - 50%	1
51% - 99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	£505
Total pay bill	£10,114,000
Percentage of the total pay bill spent on facility time	0.01%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100%
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Connected Organisations, including Related Party Relationships

Haven High Academy operated a post 16 provision in partnership with Monks Dyke Tennyson, Louth. During the academic year the Academy had 65 students' dual registered with our partners, but educated exclusively on our Tollfield Road Campus. This provision ran until August 2018 upon which time sub-contacting arrangements were no longer permissible.

TRUSTEES' REPORT (continued)

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 main objectives of The Academy Trust during the period ended 31 August 2018 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of The Trust by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain links with industry and commerce and the international community; and
- to conduct Academy Trust business in accordance with the highest standards of integrity, probity and openness.

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*".

Strategic Report

Achievements and Performance

The expanded trust (1 secondary and 7 primary Academies) has consolidated growth and school improvement functions at the centre through the development and expansion of Trust wide support teams. In terms of school improvement a Data Strategy Officer was appointed and bids were submitted to DfE MAT expansion funding to appoint a Literacy & Numeracy lead. Whilst the bid was unsuccessful the Academy Trust proceeded with advertisements for these posts to start in the new academic year of 2018-19.

The Academy Trust strengthened its safeguarding procedures and support and training for Academies through the appointment of a Trust Safeguarding Lead (TSL). It also expanded the team to provide more early early help work and provide further capacity for support of vulnerable pupils and students.

Central HR and finance teams were also expanded to ensure the smooth operations of the functions covered centrally.

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TRUSTEES' REPORT (continued)

Performance in terms of attainment and progress improved in all Academies across the Academy Trust during the 2017-18 academic year. No primary Academies were below floor once again for the third year in succession.

Haven High Academy appointed a new Head of Academy for the 2018-19 academic year but took the opportunity to appoint for Easter 2018 to ensure a smooth handover and also allowing the new Head of Academy to lay the foundations for the new Academy Development plan. The Academy improved its Progress 8 score of 2017 to 2018 – moving from -0.92 to minus 0.68. Attainment of basics and most GCSE subjects also saw improvements from the previous year. The Academy was successful in its business case to the DfE to expand the PAN from 205 to 255 to meet local need for places. Following the final year of post 16 learning on the Tollfield campus the LA funded a major redevelopment in readiness for the site becoming a Y7 base in September 2018.

The Academy Trust includes the Connect Teaching School Alliance and during its third year of operation 34 schools had joined the Alliance to benefit from a programme of joint CPD and the appointment of 15 trainees. In addition, the Alliance provides NQT accreditation. All trainees were successful in gaining QTS standard and many were subsequently employed by the Academy Trust. In addition to contributing to the county wide LEAP project, Connect was successful in its bid to be the lead school for LAMP (Lincolnshire Attainment in Maths Project). The successful bid secured £253,800 SSIF monies.

During the course of the academic year the Academy Trust was approached by the LA to support a school in difficulties, having recently been rated inadequate by Ofsted. The Academy Trust signed a memorandum of understanding with the LGB of the school and began providing executive leadership, teaching and teaching assistants and the full range of school improvement services of the Academy Trust. The agreement, in the first instance, will run to 31 August 2019.

Key Financial Performance Indicators

	2018	2017
	£000	£000
Income (excluding transfer on conversion)	17,771	17,043
Expenses	19,145	16,647
Net income	(1,374)	396
Wages % of expenses	73.97%	73.82%

Key Non Financial Performance Indicators

The key measures used to measure the Trust's performance will be KS2, GCSE and A level performance, quality of teaching and learning, Ofsted ratings and growth in pupil numbers.

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.

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TRUSTEES' REPORT (continued)

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 2018 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 £17,771,000 compared to total resources expended of £19,145,000 to give a deficit for the year of £1,374,000. The Trust made a significant investment into fixed assets during the year totalling £1,017,000.

Taking into account the brought forwards from 2017, the Academy Trust has £3,027,000 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 £3,027,000. 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 2018/19 academic year, all but one Academy within the Trust will have exceeded this target. The Trustees recognise the shortfall and have set budgets to ensure all Academies within the Trust reach this level by the end of the 2018/19 academic year.

The total value of reserves at 31 August 2018 was £26,633,000 (2017: £26,144,000), of which £27,554,000 (2017: £27,522,000) 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 £4,074,000 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.

TRUSTEES' REPORT (continued)

Investment policy

The Academy Trust aims to manage its cash balances to provide for the day-to-day working capital requirements for its operations. The main purpose of the Trust's investment policy is to ensure there is no risk of loss in the capital value of any cash funds invested.

Principal Risks and Uncertainties

The Trust has carried out an extensive risk assessment based on the Education & Skills Funding Agency model. The risks are categorised into various headings to permit us to analyse in detail specific risks.

The predominant risks are given below:

1. We have identified that we need to remain focused on our reputation within the local community to ensure future children see the Academies as great learning establishments. We strive and indeed maintain a healthy presence in the community and our Academy results and interaction with the local community remain a major focus.
2. Future funding levels are currently unknown as we await forthcoming introduction of the national funding formula. The Trust considers its current reserves policy will help the transition period and enable it to plan for longer term changes.
3. Failure to comply with statutory Health and Safety legislation. The "Human Factor" can never be eliminated, however the Trust has an active health and safety culture in place that extends from the pupils, staff, Directors, Members and public. The Trust retains external advisors who can advise when necessary on health and safety matters. The seeking of specialist advice should be used when major decisions to legislation are made.
4. Board of Directors risk: Too little or too much delegation within committee. Effective management and delegation is conducted with whole committee monitoring. Workloads shared within various sub-committees.
5. Management risk: Senior management capability/experience of charity sector risk. Currently the Senior Leadership Team experience is sufficient for most tasks. The main areas of concern are the changes in ESFA requirements that require the Trust to carry out tasks that are not expected. Otherwise, the objects of the Trust remain unchanged.

Plans for Future Periods

The Board of Directors and separate Local Governing Bodies pride themselves on working in partnership with parents/carers and the community to offer a comprehensive, broad and flexible curriculum to pupils and students of all abilities. We place great emphasis on providing a caring environment for young people in our care, supporting them in their personal development, meeting all their needs, as well as ensuring that each and every child reaches and exceeds their academic potential.

The Academy Trust has a clear focus on developing future leaders to ensure succession planning at all levels. We intend to develop both primary and secondary practitioners in respect of supporting EAL pupils through our partnership with The Bell Foundation. The Trust's Aspiring Leaders Programme has already proved successful in identifying and developing future subject leaders, Deputy heads and Heads of Academy. The trust will appoint further candidate to tiers 1, 2 and 3 for the next academic year.

TRUSTEES' REPORT (continued)

Following some expansion of operations in the Academy Trust's school meals provision last year, this will be rolled out to all Academy Trust schools during the year with the intention of providing hot schools meals to other schools outside the Academy Trust.

The Academy Trust is working with its ICT strategic partner to rationalise ICT provision and systems across the Academy Trust, whilst focusing substantial investment in ICT resources according to individual Academy and Trust Development Plans.

The leadership of the trust and directors continue to monitor and evaluate the delivery of the Trust's new three year Trust Development Plan (TDP).

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 17 December 2018 and signed on its behalf by:


.....
J Gale
Chair

THE BOSTON WITHAM ACADEMIES FEDERATION
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GOVERNANCE STATEMENT

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.

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 five times during the year. Attendance during the year at meetings of the governing body was as follows:

Trustee	Meetings attended	Out of a possible
D Elkington	4	5
T Elmer	5	5
J Gale	4	5
J McGarel	3	5
C Penney	5	5
C Shephard	5	5
J Wrigglesworth	4	5

Staff members, including the CEO, VCEO and CFO attended Director meetings during the year as management by invitation.

During the year the Directors continued with stage two of the self-evaluation in reviewing the committee structures, reviewing the subcommittee members and local Governing Bodies to ensure the appropriate skills are held.

Stage three of the self-evaluation is to have an external review performed by an NLG. This review commenced during the summer term and is scheduled to be completed during January 2019. Once this review is completed the Directors will consider the results and recommendations of this review.

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:

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GOVERNANCE STATEMENT (continued)

Trustee	Meetings attended	Out of a possible
S Coleman (non Director member)	2	3
D Elkington	2	3
T Elmer	3	3
C Penney	3	3
A Reed (non Director member)	3	3

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:

Trustee	Meetings attended	Out of a possible
D Elkington	1	2
C Penney	2	2
J Wrigglesworth	2	2

The Pay and Performance 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:

Trustee	Meetings attended	Out of a possible
T Elmer	1	1
C Penney	1	1
C Shepheard	1	1

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:

Trustee	Meetings attended	Out of a possible
J Barkham	1	1
J Gale	1	1
C Shepheard	1	1

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.

GOVERNANCE STATEMENT (continued)

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

GOVERNANCE STATEMENT (continued)

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 employees rates of pay to contracts of employment to ensure employees are paid correctly;
- ensuring employee contract variations have been appropriately authorised;
- test checking of control accounts;
- 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.

GOVERNANCE STATEMENT (continued)

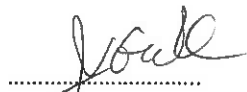
Review of Effectiveness

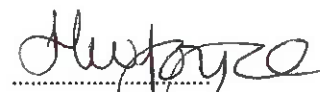
As Accounting Officer the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- 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 17 December 2018 and signed on its behalf by:


.....
J Gale
Chair


.....
H Joyce
Acting Accounting Officer

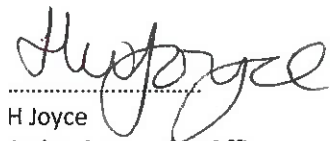
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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 2017.

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 2017.

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.



.....

H Joyce
Acting Accounting Officer

17 December 2018

THE BOSTON WITHAM ACADEMIES FEDERATION
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STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees of The Boston Witham Academies Federation are also the Directors of the charitable company for the purposes of company law and 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 2015 and the Academies Accounts Direction 2017 to 2018;
- 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 17 December 2018 and signed on its behalf by:


.....
J Gale
Chair

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

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

OPINION

We have audited the financial statements of The Boston Witham Academies Federation for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

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

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 BOSTON WITHAM ACADEMIES FEDERATION
(A company limited by guarantee)

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

· the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the 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 which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the 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' remunerations specified by law 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)

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

RESPONSIBILITIES OF TRUSTEES

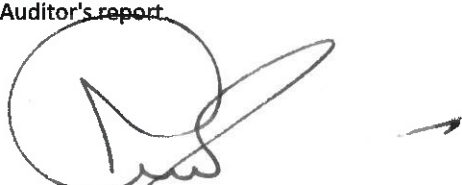
As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the Directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



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

Date: 19th December 2018

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

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

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 2017 to 2018, 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 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 2017 to 2018 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.

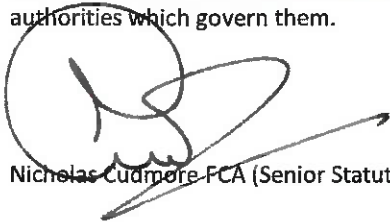
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

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

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

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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Nicholas Cudmore FCA (Senior Statutory Auditor)

Duncan & Toplis Limited

15 Chequergate
Louth
Lincolnshire
LN11 0LJ

Date: 19th December 2018

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 2018

	Note	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
INCOME AND ENDOWMENTS FROM:						
Donations and capital grants	2	-	2	90	92	100
Transfer of existing academies into the trust		-	-	-	-	7,929
Other trading activities	3	56	75	-	131	125
Investment income		-	-	-	-	-
Funding for the Academy Trust's educational operations	5	266	17,001	-	17,267	16,665
Teaching school income	36	-	281	-	281	153
TOTAL		322	17,359	90	17,771	24,972
EXPENDITURE ON:						
Raising funds	4	1	-	-	1	2
Academy Trust's educational operations	6	245	17,669	986	18,900	16,519
Teaching school operations	6	-	244	-	244	126
TOTAL	6	246	17,913	986	19,145	16,647
NET INCOME / (EXPENDITURE)		76	(554)	(896)	(1,374)	8,325

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 2018

	Note	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Transfers between funds	22	-	(998)	998	-	-
Other recognised gains/ (losses):						
Actuarial gains / (losses) on defined benefit pension schemes		-	1,863	-	1,863	1,840
NET MOVEMENT IN FUNDS		76	311	102	489	10,165
Reconciliation of funds						
<i>Total funds brought forward</i>		562	(1,996)	27,578	26,144	15,979
TOTAL FUNDS CARRIED FORWARD		638	(1,685)	27,680	26,633	26,144

All activities relate to continuing operations.

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

The notes on pages 28 to 63 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2018
REGISTERED NUMBER: 08158309

	Note	2018 £000	2017 £000
FIXED ASSETS			
Intangible assets	16	-	-
Tangible assets	17	27,554	27,522
		<u>27,554</u>	<u>27,522</u>
CURRENT ASSETS			
Stocks	18	12	5
Debtors	19	1,054	797
Cash at bank and in hand		4,093	4,526
		<u>5,159</u>	<u>5,328</u>
CREDITORS: amounts falling due within one year	20	<u>(1,951)</u>	<u>(1,597)</u>
NET CURRENT ASSETS		<u>3,208</u>	<u>3,731</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>30,762</u>	<u>31,253</u>
CREDITORS: amounts falling due after more than one year	21	<u>(55)</u>	<u>(77)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY		<u>30,707</u>	<u>31,176</u>
Defined benefit pension scheme liability	33	(4,074)	(5,032)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY		<u>26,633</u>	<u>26,144</u>
FUNDS OF THE ACADEMY TRUST			
Restricted funds:			
General Restricted funds	22	2,389	3,036
Restricted fixed asset funds	22	27,680	27,578
Restricted funds excluding pension liability		30,069	30,614
Pension reserve		(4,074)	(5,032)
Total restricted funds		<u>25,995</u>	<u>25,582</u>
Unrestricted funds	22	638	562
TOTAL FUNDS		<u>26,633</u>	<u>26,144</u>

The financial statements were approved by the Trustees, and authorised for issue, on 17 December 2018 and are signed on their behalf, by:

J Gale
Chair of Trustees

H Joyce
Vice Chief Executive Officer and Acting
Accounting Officer

The notes on pages 28 to 63 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 2018

	Note	Year 31 August 2018 £000	Year 31 August 2017 £000
Cash flows from operating activities			
Net cash provided (used in) operating activities	26	514	2,525
Cash flows from investing activities			
	27	(927)	(726)
Cash flows from financing activities			
	28	(20)	(12)
Cash balances inherited on transfer of academies into the trust		-	1,105
Change in cash and cash equivalents in the reporting period		(433)	2,892
Cash and cash equivalents at 1 September 2017		4,526	1,634
Cash and cash equivalents at 31 August 2018	30	4,093	4,526

The notes on pages 28 to 63 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 to 2018 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

ACCOUNTING POLICIES (continued)

1.7 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

1.8 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.

1.9 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.

1.10 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

ACCOUNTING POLICIES (continued)

1.11 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.

1.12 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.

1.13 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.

1.14 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 15. 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 20 and 21. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

ACCOUNTING POLICIES (continued)

1.15 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 33, 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

ACCOUNTING POLICIES (continued)

1.16 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 33, 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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

1.17 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 2018

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	<i>Total funds 2017 £000</i>
Donations	-	2	2	4
Donated fixed assets	-	-	-	-
Capital grants	-	90	90	96
Other voluntary income	-	-	-	-
Voluntary income	-	92	92	190

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	<i>Total funds 2017 £000</i>
Lettings income	33	-	33	39
Sale of goods	10	-	10	11
Other income	13	75	88	75
	56	75	131	125

4. EXPENDITURE ON RAISING FUNDS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	<i>Total funds 2017 £000</i>
Other expenses	1	-	1	2
Wages and salaries	-	-	-	-
	1	-	1	2

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	<i>Total funds 2017 £000</i>
Funding for the Academy Trust's educational operations	266	17,001	17,267	16,665

FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	<i>Total funds 2017 £000</i>
DfE/EFA Revenue grants				
General Annual Grant (GAG)	-	14,727	14,727	13,617
Start Up Grant	-	-	-	-
Pupil Premium	-	978	978	911
Other DfE/EFA Revenue grants	-	433	433	392
	-	16,138	16,138	14,920
Other Government grants				
SEN 1 – 1 Funding	-	299	299	207
Other Local Authority revenue grants	-	250	250	385
Other government grants	-	310	310	869
	-	859	859	1,461
Other income				
Catering income	189	-	189	205
Other income	77	4	81	79
	266	4	270	284
	266	17,001	17,267	16,665

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

6. EXPENDITURE

	Staff costs	Premises	Other costs	Total	Total
	2018	2018	2018	2018	2017
	£000	£000	£000	£000	£000
Expenditure on raising funds	-	-	1	1	2
Academy Trust's educational operations:					
Direct costs	11,791	549	2,174	14,514	12,726
Allocated support costs	2,200	1,211	975	4,386	3,793
	13,991	1,760	3,149	18,900	16,519
Teaching school operations:					
Direct costs	156	-	71	227	104
Allocated support costs	14	-	3	17	22
	170	-	74	244	126
	14,161	1,760	3,224	19,145	16,647

Net income/ (expenditure) for the period includes:

	2018	2017
	£000	£000
Auditors' remuneration – audit services	17	17
Auditors' remuneration – other services	(1)	4
Internal auditors' remuneration	3	3
Operating leases – plant and machinery	3	5
Operating leases – other leases	9	9
Depreciation	986	952
Amortisation	-	6
Loss on disposal of tangible fixed assets	-	-

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000	
		Amount £	Reason
Unrecoverable debts	949	n/a	n/a

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

7. DIRECT COSTS

	Teaching school £000	Educational Operations £000	Total 2018 £000	Total 2017 £000
Teaching and educational support staff costs	156	11,791	11,947	10,368
Educational supplies	27	1,170	1,197	949
Technology costs	2	220	222	204
Examination fees	-	92	92	133
Staff development	40	150	190	117
Other costs	2	105	107	101
Depreciation	-	986	986	958
	227	14,514	14,741	12,830

8. SUPPORT COSTS

	Teaching school £000	Educational Operations £000	Total 2018 £000	Total 2017 £000
Support staff costs	14	2,200	2,214	1,920
Recruitment and support	1	46	47	84
Maintenance of premises and equipment	1	543	544	395
Cleaning	-	311	311	276
Rent and rates	-	130	130	117
Energy costs	-	227	227	190
Insurance, including RPA	-	104	104	92
Security	-	26	26	24
Transport	-	12	12	10
Telephone, postage and stationery	-	57	57	73
Catering	-	371	371	418
Other costs	1	46	47	23
Pension income	-	135	135	136
Technology costs	-	87	87	24
Governance	-	91	91	33
	17	4,386	4,403	3,815

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities Undertaken directly 2018 £000	Support Costs 2018 £000	Total funds 2018 £000	<i>Total funds 2017 £000</i>
Academy Trust's educational operations	14,514	4,386	18,900	16,519
Teaching school operations	227	17	244	126

10. COMPARATIVE INFORMATION

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
INCOME AND ENDOWMENTS FROM:				
Donations and capital grants	1	3	96	100
Transfer of existing academies into the trust	478	(371)	7,822	7,929
Other trading activities	59	66	-	125
Investment income	-	-	-	-
Funding for the Academy Trust's educational operations	284	16,381	-	16,665
Teaching school income	-	153	-	153
TOTAL	822	16,232	7,918	24,972
EXPENDITURE ON:				
Raising funds	2	-	-	2
Academy Trust's educational operations	272	15,289	958	16,519
Teaching school operations	-	126	-	126
TOTAL	274	15,415	958	16,647

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

11. STAFF

a. Staff costs

Staff costs were as follows:

	Year	Year
	31 August	31 August
	2018	2017
	£000	£000
Wages and salaries	10,114	9,135
Social security costs	900	823
Operating costs of defined benefit pension schemes (Note 33)	2,446	1,921
Apprenticeship levy	36	16
	13,496	11,895
Supply staff costs	608	379
Staff restructuring costs	57	14
	14,161	12,288
Staff restructure costs comprise:		
Redundancy payments	25	-
Severance payments	32	14
Other restructure costs	-	-
	57	14

b. Non statutory/non-contractual staff severance payments

Included within staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2017: £14,000).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

11. STAFF (continued)

c. Staff numbers

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

	Year 31 August 2018 No.	Year 31 August 2017 No.
Teaching staff	173	173
Admin and support staff	265	254
Management	12	11
	<hr/> 450 <hr/>	<hr/> 438 <hr/>

d. Higher paid staff

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

	Year 31 August 2018 No	Year 31 August 2017 No
In the band £60,001 - £70,000	8	6
In the band £70,001 - £80,000	1	-
In the band £220,001 - £230,000	-	1
In the band £230,001 - £240,000	1	-
	<hr/> 10 <hr/>	<hr/> 7 <hr/>

8 (2017: 6) of the above employees participated in a pension scheme. During the year ended 31 August 2018 employer's pension contributions for these staff amounted to £95,861 (2017: £62,068).

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 £961,211 (2017: £849,157).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

12. CENTRAL SERVICES

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

- Educational Support Service
- 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:

	Year	<i>Year</i>
	31 August	<i>31 August</i>
	2018	<i>2017</i>
	£000	<i>£000</i>
Haven High Academy	298	296
Carlton Road Academy	98	150
Staniland Academy	110	157
Wygate Park Academy	29	37
Park Academy	87	104
Boston Pioneers Free School	59	62
Fishtoft Academy	18	23
Gosberton Academy	30	34
	<hr/>	<hr/>
Total	729	863

The Academy Trust also recharges the cost of other services to the Academies based on budgeted useage for the year. Grouped services such as Safeguarding, Education Welfare, IT support services, Sports and Music tuition and School Improvement are provided in this, helping to achieve economies of scale and provides expertise in specialist areas. The actual amounts charged during the year were as follows:

	2018
	£000
Haven High Academy	135
Carlton Road Academy	217
Staniland Academy	217
Wygate Park Academy	29
Park Academy	143
Boston Pioneers Free School	90
Fishtoft Academy	8
Gosberton Academy	37
	<hr/>
Total	876

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

13. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees have been paid remuneration or has received other benefits from employment with the Academy Trust. The Chief Executive Officer and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and staff members under their contracts of employment, and not in respect of their services as Trustees. The value of Trustees' remuneration and other benefits was as follows:

	Year 31 August 2018 £000	Year 31 August 2017 £000
Mr A Reed, Chief Executive Officer and Accounting Officer		
- Remuneration	230-240	220-230
- Employer's pension contributions	0	0
Mrs E Hextall, Staff Director		
- Remuneration	0	5-10
- Employer's pension contributions	0	0-5
Mrs H W Joyce, Staff Director		
- Remuneration	0	5-10
- Employer's pension contributions	0	0-5
Mrs R Hydes, Staff Director		
- Remuneration	0	10-15
- Employer's pension contributions	0	0-5

During the year ended 31 August 2018, expenses totalling £132 (2017 - £277) were reimbursed to 1 Trustees (2017 - 3).

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £941 (2017 - £1,261). The cost of this insurance is included in the total insurance cost.

15. OTHER FINANCE INCOME

	Year 31 August 2018 £000	Year 31 August 2017 £000
Interest income on plan assets	182	117
Interest on pension scheme liabilities	(317)	(253)
	<u>(135)</u>	<u>(136)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

16. INTANGIBLE FIXED ASSETS		
	Computer software £000	Total £000
Cost		
At 1 September 2017	27	27
Additions	-	-
Donation of assets	-	-
Disposals	-	-
At 31 August 2018	<u>27</u>	<u>27</u>
Amortisation		
At 1 September 2017	27	27
Charge for the year	-	-
Disposals	-	-
At 31 August 2018	<u>27</u>	<u>27</u>
Net book value		
At 31 August 2018	<u>-</u>	<u>-</u>
At 31 August 2017	<u>-</u>	<u>-</u>

THE BOSTON WITHAM ACADEMIES FEDERATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. TANGIBLE FIXED ASSETS

	Long Leasehold Property £000	Freehold land and buildings £000	Fixtures and fittings £000	Computer Equipment £000
Cost				
At 1 September 2017	20,811	7,410	1,293	1,471
Additions	315	8	279	55
Reclassification	-	494	-	-
Disposals	-	-	-	-
At 31 August 2018	21,126	7,912	1,572	1,526
Depreciation				
At 1 September 2017	1,956	-	753	923
Charge for the year	549	-	204	223
Reclassification	-	-	-	-
Disposals	-	-	-	-
At 31 August 2018	2,505	-	957	1,146
Net book value				
At 31 August 2018	18,621	7,912	615	380
At 31 August 2017	18,855	7,410	540	548
	Motor Vehicles	Assets Under Construction	Total	
	£000	£000	£000	
Cost				
At 1 September 2017	84	144	31,213	
Additions	10	350	1,017	
Reclassification	-	(494)	-	
Disposals	(3)	-	(3)	
At 31 August 2018	91	-	32,227	
Depreciation				
At 1 September 2017	59	-	3,691	
Charge for the year	9	-	985	
Reclassification	-	-	-	
Disposals	(3)	-	(3)	
At 31 August 2018	65	-	4,673	
Net book value				
At 31 August 2018	26	-	27,554	
At 31 August 2017	25	144	27,522	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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.

Additions to freehold land and buildings does not include any new purchases by the Academy Trust in the year.

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

The Academy Trust currently occupies the land and buildings for which Wygate Park Academy is situated. This was a newly formed Academy, which Lincolnshire County Council commissioned and The Boston Witham Academies Federation was selected as the sponsor. The building was handed over to the Trust on 22 August 2014 and is currently occupied under a tenancy at will. Once snagging issues have been resolved the Academy Trust intend to enter into a 125 year lease agreement with the local authority.

After full considerations of FRS102 and the Academy Accounts Direction the Academy Trust has recognised the property known as Wygate Park Academy as an asset, due to current and intended continuous occupancy and therefore the risks and rewards being transferred to the Trust. The land and buildings have been valued at £2,328,000 by Mouchel Business Services on 21 July 2015.

18. STOCKS

	2018	2017
	£000	£000
Clothing	-	-
Catering goods	3	4
Other	9	1
	12	5

19. DEBTORS

	2018	2017
	£000	£000
Trade debtors	81	55
VAT recoverable	446	222
Other debtors	4	5
Prepayments and accrued income	523	515
	1,054	797

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. CREDITORS: Amounts falling due within one year

	2018	2017
	£000	£000
Other loans	14	10
Trade Creditors	804	638
Other taxation and social security	229	219
Other creditors	219	201
Accruals and deferred income	685	529
	1,951	1,597

Deferred income as at 31 August 2018 includes the following grant and non-grant income that relates to the year ended 31 August 2019:

	£000
Universal Infant Free School Meal income	161
Lettings income	6
Other	173

Deferred income

	2018
	£000
Deferred income at 1 September 2017	237
Resources deferred during the year	340
Amounts released from previous year	(237)
	340

Deferred income at 31 August 2018

21. CREDITORS: Amounts falling due after more than one year

	2018	2017
	£000	£000
Other loans	55	77

Included in other loans falling due after more than one year is £16,442 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 £38,715 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 £1 which is due for repayment after more than five years from the balance sheet date.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. STATEMENT OF FUNDS

	Brought Forward £000	Incoming Resources £000	Resources Expended £000	Transfers In/out £000	Gains/ (Losses) £000	Carried Forward £000
Unrestricted Funds						
Other income not for capital purposes	562	322	(246)	-	-	638
Restricted funds						
General Annual Grant (GAG)	2,689	14,727	(14,233)	(993)	-	2,190
Other DfE/EFA Grants	44	1,692	(1,606)	(24)	-	106
Government grants	211	860	(1,087)	19	-	3
Other restricted income	92	80	(82)	-	-	90
Pension reserve	(5,032)	-	(905)	-	1,863	(4,074)
	(1,996)	17,359	(17,913)	(998)	1,863	(1,685)
Restricted fixed asset funds						
DfE/EFA capital grants	238	71	(33)	12	-	288
Capital expenditure from GAG	2,912	-	(471)	1,005	-	3,446
Capital expenditure from other income	16,702	19	(383)	(19)	-	16,319
Transfer of existing academies into the trust	7,726	-	(99)	-	-	7,627
	27,578	90	(986)	998	-	27,680
Total restricted funds	25,582	17,449	(18,899)	-	1,863	25,995
Total of funds	26,144	17,771	(19,145)	-	1,863	26,633

NOTES TO THE FINANCIAL STATEMENTS
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22. 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 / EFA 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 £905,000. 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 £1,863,000 actuarial decrease 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 2018.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. STATEMENT OF FUNDS (continued)

Analysis of Academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £000	Total 2017 £000
Haven High Academy	678	1,242
Carlton Road Academy	624	647
Staniland Academy	648	471
Wygate Park Academy	300	201
Park Academy	271	564
Boston Pioneers Free School	171	213
Fishtoft Academy	113	112
Gosberton Academy	6	31
The Boston Witham Academies Federation	216	117
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	3,027	3,598
Restricted fixed asset fund	27,680	27,578
Pension reserve	(4,074)	(5,032)
	<hr/>	<hr/>
Total	26,633	26,144
	<hr/> <hr/>	<hr/> <hr/>

THE BOSTON WITHAM ACADEMIES FEDERATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. 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	4,504	587	511	1,080	6,682
Carlton Road Academy	1,369	77	151	352	1,949
Staniland Academy	1,605	105	143	398	2,251
Wygate Park Academy	420	91	65	145	721
Park Academy	1,187	114	101	242	1,644
Boston Pioneers Free School	807	94	117	260	1,278
Fishtoft Academy	275	36	30	64	405
Gosberton Academy	330	71	39	98	538
The Boston Witham Academies Federation	942	722	40	27	1,731
FRS102 adjustments	508	317	-	135	960
Depreciation		-	-	986	986
	11,947	2,214	1,197	3,787	19,145

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. STATEMENT OF FUNDS (continued)

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

	Brought Forward £000	Incoming Resources £000	Resources Expended £000	Transfers In/out £000	Gains/ (Losses) £000	Carried Forward £000
Unrestricted Funds						
Other income not for capital purposes	42	822	(274)	(28)	-	562
Restricted funds						
General Annual Grant (GAG)	1,409	14,188	(12,229)	(679)	-	2,689
Other DfE/EFA Grants	28	1,451	(1,413)	(22)	-	44
Government grants	2	1,464	(1,255)	-	-	211
Other restricted income	90	69	(67)	-	-	92
Pension reserve	(5,481)	(940)	(451)	-	1,840	(5,032)
	(3,952)	16,232	(15,415)	(701)	1,840	(1,996)
Restricted fixed asset funds						
DfE/EFA capital grants	164	77	(13)	10	-	238
Capital expenditure from GAG	2,665	-	(444)	691	-	2,912
Capital expenditure from other income	17,060	19	(405)	28	-	16,702
Transfer of existing academies into the trust	-	7,822	(96)	-	-	7,726
	19,889	7,918	(958)	729	-	27,578
Total restricted funds	15,937	24,150	(16,373)	28	1,840	25,582
Total of funds	15,979	24,972	(16,647)	-	1,840	26,144

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. STATEMENT OF FUNDS (continued)

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

	Brought Forward £000	Incoming Resources £000	Resources Expended £000	Transfers In/out £000	Gains/ (Losses) £000	Carried Forward £000
Unrestricted Funds						
Other income not for capital purposes	42	1,144	(520)	(28)	-	638
Restricted funds						
General Annual Grant (GAG)	1,409	28,915	(26,462)	(1,672)	-	2,190
Other DfE/EFA Grants	28	3,143	(3,019)	(46)	-	106
Government grants	2	2,324	(2,342)	19	-	3
Other restricted income	90	149	(149)	-	-	90
Pension reserve	(5,481)	(940)	(1,356)	-	3,703	(4,074)
	(3,952)	33,591	(33,328)	(1,699)	3,703	(1,685)
Restricted fixed asset funds						
DfE/EFA capital grants	164	148	(46)	22	-	288
Capital expenditure from GAG	2,665	-	(915)	1,696	-	3,446
Capital expenditure from other income	17,060	38	(788)	9	-	16,319
Transfer of existing academies into the trust	-	7,822	(195)	-	-	7,627
	19,889	8,008	(1,944)	1,727	-	27,680
Total restricted funds	15,937	41,599	(35,272)	28	3,703	25,995
Total of funds	15,979	42,743	(35,792)	-	3,703	26,633

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Fixed assets	-	-	27,554	27,554	27,522
Current assets	638	4,395	126	5,159	5,328
Creditors due within one year	-	(1,951)	-	(1,951)	(1,597)
Creditors due within more than one year	-	(55)	-	(55)	(77)
Provisions for liabilities and charges	-	(4,074)	-	(4,074)	(5,032)
	638	(1,685)	27,680	26,633	26,144

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

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Fixed assets	-	-	27,522	27,522
Current assets	570	4,702	56	5,328
Creditors due within one year	(8)	(1,589)	-	(1,597)
Creditors due within more than one year	-	(77)	-	(77)
Provisions for liabilities and charges	-	(5,032)	-	(5,032)
	562	(1,996)	27,578	26,144

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

24. CAPITAL COMMITMENTS

At 31 August 2018 the Academy Trust had capital commitments as follows:

	2018	<i>2017</i>
	£000	<i>£000</i>
Contracted for but not provided in these financial statements	921	<i>391</i>

25. OPERATING LEASE COMMITMENTS

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

	Land and buildings		Other	
Expiry Date:	2018	<i>2017</i>	2018	<i>2017</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Within 1 year	9	<i>9</i>	-	<i>1</i>
Between 2 and 5 years	35	<i>35</i>	-	-
After more than 5 years	991	<i>1,000</i>	-	-

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26. NET CASH FLOW FROM OPERATING ACTIVITIES

	Year 31 August 2018 £000	<i>Year 31 August 2017 £000</i>
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(1,374)	8,352
Adjusted for:		
Interest received	-	-
Assets and liabilities inherited	-	(8,869)
Depreciation of tangible fixed assets	986	952
Amortisation of intangible fixed assets	-	6
Loss on disposal of tangible fixed assets	-	-
Capital grants from DfE and other capital income	(90)	(96)
(Increase) / decrease in stocks	(7)	(2)
(Increase) / decrease in debtors	(257)	229
Increase / (decrease) in creditors	351	562
Defined benefit pension liability inherited	-	940
Defined benefit pension scheme finance cost	135	136
Defined benefit pension scheme cost less contributions paid	770	315
	<hr/>	<hr/>
Net cash provided by / (used in) Operating Activities	514	2,525

27. CASH FLOWS FROM INVESTING ACTIVITIES

	£000	<i>£000</i>
Dividends, interest and rents from investments	-	-
Purchase of tangible fixed assets	(1,017)	(822)
Capital grants from DfE/ ESFA	71	77
Capital funding received from sponsors and others	19	19
Proceeds from sale of tangible fixed assets	-	-
	<hr/>	<hr/>
Net cash provided by / (used in) investing activities	(927)	(726)

28. CASH FLOWS FROM FINANCING ACTIVITIES

	£000	<i>£000</i>
Repayments of borrowing	(20)	(12)
Cash inflows from new borrowing	-	-
	<hr/>	<hr/>
	(20)	(12)

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NOTES TO THE FINANCIAL STATEMENTS
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29. MAJOR NON CASH TRANSACTIONS

Included within income is £nil (2017: £7,929,000) being the value attributable to assets and liabilities of The Phoenix Family of Schools Academy Trust which the trust inherited on 1 November 2016.

30. ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 31 August 2018 £000	At 31 31 August 2017 £000
Cash at bank and in hand	4,093	4,526
Total cash and cash equivalents	4,093	4,526

31. 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 a number of 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.

32. 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 2018

33. 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 2012 and of the LGPS 31 March 2016.

Contributions amounting to £204,415 were payable to the schemes at 31 August 2018 (2017 - £183,104) 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 (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

- Employer contribution rates set at 16.48% of pensionable pay, including a 0.08% administration charge (currently 14.1%);
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- An employer cost cap of 10.9% of pensionable pay will be applied to future valuation;
- The assumed real rate of return is 3.0% in excess of prices and 2.0% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

NOTES TO THE FINANCIAL STATEMENTS
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33. PENSION COMMITMENTS (continued)

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

The pension costs paid to TPS in the period amounted to £1,017,357 (2017: £911,375).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £854,101 (2017: £857,827), of which employer's contributions totalled £659,084 (2017: £695,805) and employees' contributions totalled £195,017 (2017: £162,002). The agreed contribution rates for future years are 18.2% 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:

	2018	<i>2017</i>
Rate of increase in salaries	2.7 %	<i>2.8 %</i>
Rate of increase for pensions in payment/inflation	2.3 %	<i>2.4 %</i>
Discount rate for scheme liabilities	2.8 %	<i>2.5 %</i>

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

	2018	<i>2017</i>
Retiring today		
Males	22.1	<i>22.1</i>
Females	24.4	<i>24.4</i>
Retiring in 20 years		
Males	24.1	<i>24.1</i>
Females	26.6	<i>26.6</i>

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33. 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 2018 £000	Fair value at 31 August 2017 £000
Equities	6,006	5,372
Bonds	1,234	826
Property	905	620
Cash	82	69
Total market value of assets	<u>8,227</u>	<u>6,887</u>
Present value of scheme liabilities	<u>(12,301)</u>	<u>(11,919)</u>
(Deficit)/surplus in the scheme	<u><u>(4,074)</u></u>	<u><u>(5,032)</u></u>

The amounts recognised in the Balance Sheet are as follows:

	Year 31 August 2018 £000	Year 31 August 2017 £000
Present value of funded obligations	(12,301)	(11,919)
Fair value of scheme assets	8,227	6,887
Net liability	<u><u>(4,074)</u></u>	<u><u>(5,032)</u></u>

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

	Year 31 August 2018 £000	Year 31 August 2017 £000
Current service cost	1,430	1,015
Net interest cost	135	136
Benefit changes, gains/(losses) on curtailments and gain/(loss) on settlements	-	-
Total operating charge	<u>1,565</u>	<u>1,151</u>
Return on scheme assets	<u><u>392</u></u>	<u><u>618</u></u>

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33. PENSION COMMITMENTS (continued)

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

	Year 31 August 2018 £000	Year 31 August 2017 £000
Opening defined benefit obligation	11,919	9,780
Transfer in on existing academies joining the trust	-	2,015
Current service cost	1,430	1,015
Interest cost	317	253
Contributions by employees	195	163
Actuarial (gain)/ losses	(1,471)	(1,222)
Benefits paid	(89)	(85)
Closing defined benefit obligation	<u>12,301</u>	<u>11,919</u>

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

	Year 31 August 2018 £000	Year 31 August 2017 £000
Opening fair value of scheme assets	6,887	4,299
Transfer in on existing academies joining the trust	-	1,075
Interest income	182	117
Actuarial gain/ (losses)	392	618
Contributions by employer	660	700
Contributions by employees	195	163
Benefits paid	(89)	(85)
	<u>8,227</u>	<u>6,887</u>

The Academy Trust expects to contribute £554,000 to its Defined benefit pension scheme during the 2018 financial year.

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

	2018	2017
Equities	73.00 %	78.00 %
Bonds	15.00 %	12.00 %
Property	11.00 %	9.00 %
Cash	1.00 %	1.00 %

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NOTES TO THE FINANCIAL STATEMENTS
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33. PENSION COMMITMENTS (continued)

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2018	2017	2016	2015	2014
	£000	£000	£000	£000	£000
Defined benefit obligation	12,301	11,919	9,780	6,283	5,475
Scheme assets	8,227	6,887	4,229	3,114	2,500
Deficit	(4,074)	(5,032)	(5,481)	(3,169)	(2,975)
Experience Gains/ (Losses) on scheme liabilities	(1471)	(1,321)	(2,625)	94	(160)
Experience Gains/ (Losses) on scheme assets	392	618	542	(35)	(78)

Sensitivity analysis:

	2018	2017
	£000	£000
Change in assumptions		
0.5% decrease in Real Discount Rate	1,850	1,764
0.5% increase in the Salary Increase Rate	289	313
0.5% increase in the Pension Increase Rate	1,539	1,420

34. 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 at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

K Albelda, daughter of J Gale, a Trustee, is 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.

J Reed, son of A Reed, the CEO and Accounting Officer, is employed by the Academy Trust as a teacher. R Reed and S Reed, sons of A Reed, the CEO and Accounting Officer, are employed by the Academy Trust as site support. All appointments were made in open competition and A Reed was not involved in the decision making process regarding appointment. All individuals are paid within the normal pay scale for their role and receive no special treatment as a result of their relationship to the CEO and Accounting Officer.

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NOTES TO THE FINANCIAL STATEMENTS
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35. CONTROLLING PARTY

The Trustees have ultimate control of the Academy Trust.

36. TEACHING SCHOOL TRADING ACCOUNT

	31 August 2018	31 August 2017
	£000	£000
Income		
- Direct income	281	153
- Other income	-	-
Total income	<u>281</u>	<u>153</u>
Direct costs		
- Staff costs	156	80
- Educational supplies	27	5
- Training costs	40	17
- Other direct costs	4	2
Total direct costs	<u>227</u>	<u>104</u>
Other costs		
- Staff costs	14	21
- Other support costs	3	1
- Rent	12	12
Total other costs	<u>29</u>	<u>34</u>
Total expenditure	<u>256</u>	<u>138</u>
Surplus/(Deficit) from all sources	<u>25</u>	<u>15</u>
Teaching school balances at 1 September	44	29
Teaching school balances at 31 August	<u>69</u>	<u>44</u>