

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

**Annual Report and Financial Statements**

**Year ended 31 August 2019**



Company Registration Number:  
08158309 (England and Wales)

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

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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Members	J Aston – appointed 5 September 2019 A Buxton P Coote – resigned 9 January 2019 T Elmer – resigned 12 September 2019 M Fox
Trustees	D Elkington – resigned 22 July 2019 T Elmer – resigned 31 August 2019 J Gale J McGarel C Penney D Radford C Shephard J Wrigglesworth
Senior management team	Chief Executive Officer and Accounting Officer – A Reed until 30 April 2019 Acting Chief Executive Officer and Accounting Officer – H Joyce from 1 May 2019 Head of Academy, Carlton Road Academy – T Brown Head of Academy, Fishtoft Academy – J Bland Head of Academy, Gosberton Academy – T Baxter Head of Academy, Haven High Academy – M Van Lier Head of Academy, Park Academy – S Gray Head of Academy, Boston Pioneers Free School – J Bland Head of Academy, Staniland Academy – R Hydes 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	08158309

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
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**TRUSTEES' REPORT**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

During the year the Academy Trust operated eight Academies in Lincolnshire, one secondary and seven primary Academies. The Academy Trust has a combined pupil capacity of 3,585 and had a roll of 3,182 in the school census in October 2018.

<b>Academy</b>	<b>Capacity</b>	<b>On roll</b>
Carlton Road Academy	420	409
Fishtoft Academy	70	55
Gosberton Academy	140	123
Haven High Academy	1,275	1,055
Park Academy	420	395
Boston Pioneers Free School	420	346
Staniland Academy	630	589
Wygate Park Academy	210	210

#### **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)**

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**Method of Recruitment and Appointment or Election of Trustees**

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

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

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

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

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

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

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

**Organisational Structure**

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

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

**TRUSTEES' REPORT (continued)**

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Other sub-committees of the Trust include:

- Finance and Audit
- Curriculum and Standards
- Estates
- Pay and Performance
- Chairs Forum

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

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

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

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

**Arrangements for setting pay and remuneration of key management personnel**

The Directors of the Trust are responsible for setting pay and remuneration of key management personnel. Each position has a scale attached to the post, with any variations needing to be approved by the Directors or relevant subcommittee. Each year key management personnel are appraised by the 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%	4
1% - 50%	0
51% - 99%	0
100%	0

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**TRUSTEES' REPORT (continued)**

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Percentage of pay bill spent on facility time

Total cost of facility time	£0
Total pay bill	£10,711,000
Percentage of the total pay bill spent on facility time	n/a

Paid trade union activities

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

The Trust provided strong leadership support for the associate school during the last academic year. The effective leadership was acknowledged by the Local authority, with Ofsted judging them to be no longer inadequate in July 2019.

Connect TSA continued to thrive. 16 ITT trainees successfully completed their training, with 14 undertaking their training from September 2019. Two schools are on the Language for Results programme, in partnership with the Bell Foundation. The TSA delivered a successful SSiF project, with the DfE RAG rating the LAMP (Lincolnshire Attainment in Maths Project) green in all aspects, with overall attainment in maths improving by 8% and progress measures increased by +1.1 in participating schools. System leaders from within the Trust have also contributed to the county wide LEAP project.

**Objectives and Activities**

Objects and Aims

The Articles outline the Company's objectives:

- To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the Academies by offering a broad and balanced curriculum; and
- To promote for the benefit of the inhabitants of Boston and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need for such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

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



**TRUSTEES' REPORT (continued)**

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The main objectives of the Trust during the year ended 31<sup>st</sup> August 2019 are summarised below:

1. Increase the percentage of pupils achieving age related or above in reading, writing and maths in all primary academies
2. Improve the Progress 8 measure within the secondary academy
3. Improve the progress of our pupils with special educational needs and disabilities
4. Recruit a new CEO for the Trust
5. Review the primary curriculum to implement a progressive knowledge and skills-based curriculum
6. Review reward systems within secondary academy
7. Provide support for an associate school for the 12-month academic period
8. Ensure that attendance figures are above National
9. Successful delivery and completion of the SSiF Maths project, LAMP, across Lincolnshire
10. Completion of review of governance
11. Promote mental health and well-being of staff and pupils

The main strategies and activities in the year included:

- New CEO appointed through the support of an external recruitment expert.
- Appointment of new Trust SENCo, who conducted a Trust wide review of SEND provision
- Alignment of SEND provision and protocols across the primary academies, with equity of software for all academies
- Restructuring of the Additional Learning Faculty at the secondary academy
- Introduction of Literacy and Maths Trust leads, in post from September 2018, providing targeted support within all the academies
- Recruitment of EYFS/KS1 lead and Curriculum lead for the Trust
- Work alongside external consultant to implement new progressive primary curriculum, with emphasis on reducing workload. Primary colleagues collaborated in the planning of the new curriculum
- Review of assessment procedures in order to streamline systems
- Introduction of additional initiatives to support Year 11 students, including Saturday Master classes, breakfast interventions, use of Knowledge Organisers
- Governance working party established to review and implement recommendations from the external governance review
- Regular meetings conducted between Heads of Academy and Attendance Team
- Review of LAMP conducted through Research School
- All academies provided with school meals by the Trust
- Mental Health First Aid Training for staff
- Continued delivery of the Aspiring Leaders Programme at all three Tier levels

**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*".

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TRUSTEES' REPORT (continued)

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**Strategic Report**

Achievements and Performance

Attendance figures at the primary academies was much improved during the academic year, with the average for all 7 primaries being 95.41%. Haven High Academy continues to improve (NA 94.5 in 2017-2018).

Pupils made accelerated progress from their relative starting points in EYFS across the Trust. Outcomes in Year 1 phonics is closing the gap on the national average.

At the end of Key Stage 1, attainment in maths remained in line with outcomes from the previous academic year. Outcomes in reading and writing were lower than the previous academic year.

2019 Key Stage 2 Outcomes (Provisional)

Academy	Reading %	Progress	Writing %	Progress	Maths %	Progress	GPAS %	RWM %
Carlton Road	76	+2.29	78	+3.43	78	+3.21	81	69
Fishtoft	55	-2.1	82	-0.17	82	-0.89	55	55
Gosberton	85	+2.39	75	-0.64	75	+5.09	75	70
Park	64	-1.15	84	+0.09	82	+1.11	82	64
Pioneers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Staniland	62	-0.74	72	+0.7	73	-0.07	79	53
Wygate Park	81	+1.3	75	-0.5	81	-1.5	81	75

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**TRUSTEES' REPORT (continued)**

**2019 Key Stage 2 SEND Progress Figures (Provisional)**

	Reading Progress	Writing Progress	Maths Progress
Carlton Road	+3.73	+3.79	+3.03
Fishtoft	SUPP	SUPP	SUPP
Gosberton	SUPP	SUPP	SUPP
Park	-4.38	-1.98	-1.43
Pioneers	N/A	N/A	N/A
Staniland	-1.07	-0.62	-3.0
Wygate Park	SUPP	SUPP	SUPP
Lincolnshire	-2.4	-2.2	-2.1
National	-1.4	-2.2	-1.5

**2019 KS4 Outcomes (Provisional)**

	Progress 8	EBACC	% Grade 5 or Above English / Maths	Attainment 8	Staying in Education
Haven High Academy	-0.17	3.17	19.6	38.2	93%

There was a significant increase in the Progress 8 measure for Haven High Academy, from -0.69 in 2018 to -0.17.

Progress 8 measure for SEND students saw an improvement from -0.816 in 2018 to -0.142 in 2019.

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TRUSTEES' REPORT (continued)

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Key Financial Performance Indicators

	2019	2018
	£000	£000
Income (excluding transfer on conversion)	19,424	17,771
Expenses	19,958	19,145
Net income	(534)	(1,374)
Wages % of expenses	73.54%	73.97%
Pupil capacity %	88.76%	92.17%
Average Teacher cost	44	

Key Non Financial Performance Indicators

The key measures used to measure the Trust's performance will be:

- EYFS Outcomes
- Year 1 Phonics Outcomes
- End of Key Stage 1 Outcomes
- End of Key Stage 2 Outcomes
- GSCE outcomes
- Quality of teaching and learning
- Attendance and Exclusion figures
- Sporting Achievements
- Musical Achievements

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.

**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 2019 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 £19,424,000 compared to total resources expended of £19,958,000 to give a deficit for the year of £534,000. The Trust made a significant investment into fixed assets during the year totalling £573,000..

Taking into account the brought forwards from 2018, the Academy Trust has £3,601,000 in accumulated revenue reserves carried forward.

TRUSTEES' REPORT (continued)

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*Reserves Policy*

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

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

The level of restricted funds at the period end, excluding the restricted fixed asset fund; endowment fund and the pension reserve, amounted to £2,870,000. 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 2019/20 academic year, all but one Academy within the Trust will have exceeded this target. The Trustees recognise the shortfall and are working to ensure all Academies within the Trust reach this level.

The total value of reserves at 31 August 2019 was £23,345,000 (2018: £26,633,000), of which £27,168,000 (2018: £27,554,000) 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 £7,752,000 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)**

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***Investment policy***

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

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

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

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

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

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

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

**Principal Risks and Uncertainties**

The 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, ensuring that we are the academies of choice. Due to the current political uncertainties regarding Brexit, and the impact that this might have on pupil numbers, the Trust is aware of the risks this might pose on future funding.
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.

TRUSTEES' REPORT (continued)

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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 are 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 will continue to focus on improving pupil outcomes via collaboration of academies within the Trust and external partners, with a focus on continuous professional development.

The Trust welcomes a new Chief Executive Officer from January 2020.

**Employment of disabled persons**

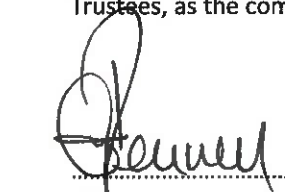
The policy of the Academy Trust is to support recruitment and retention of students and employees with disabilities. The Academy Trust does this by adapting the physical environment, by making resources available and through training and career development.

**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 16 December 2019 and signed on its behalf by:

  
C Penney  
Chair

**GOVERNANCE STATEMENT**

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**Scope of Responsibility**

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

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:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
D Elkington	6	7
T Elmer	7	7
J Gale	7	7
J McGarel	7	7
C Penney	6	7
C Shephard	7	7
J Wrigglesworth	3	7

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.

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

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

The Trust has set up a working party, involving both Directors and Governors to discuss and recommend changes to governance across the Trust following the review.



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**GOVERNANCE STATEMENT (continued)**

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

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
S Coleman (non-Director member)	4	7
D Elkington	6	7
T Elmer	7	7
C Penney	7	7

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

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
D Elkington	4	5
C Penney	5	5
S Welbourn (non Director member)	3	3
J Wrigglesworth	4	5

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:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
T Elmer	3	5
C Penney	5	5
C Shephard	5	5

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

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

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

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

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

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Boston Witham Academies Federation for the period 1 September 2018 to 31 August 2019 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**GOVERNANCE STATEMENT (continued)**

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**The Risk and Control Framework**

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

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

- to appoint Lincolnshire County Council Audit Services as internal auditor

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

- ensuring delegated purchasing authority levels are being adhered to;
- testing of payroll systems including, checking 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)

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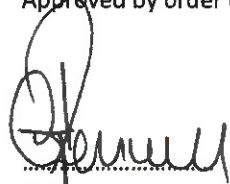
**Review of Effectiveness**

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

- the work of the internal auditor;
- the work of the external auditor;
- the 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 16 December 2019 and signed on its behalf by:



C Penney  
Chair



H Joyce  
Accounting Officer

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

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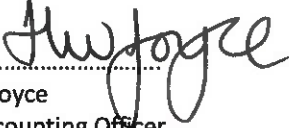
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of The Boston Witham Academies Federation I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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 2018.

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  
Accounting Officer

16 December 2019

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

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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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:

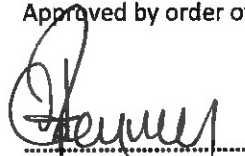
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 16 December 2019 and signed on its behalf by:

  
.....  
C Penney  
Chair

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

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**Opinion**

We have audited the financial statements of The Boston Witham Academies Federation for the year ended 31 August 2019 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2019 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 2018 to 2019 issued by the Education & Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

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**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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



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

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**Responsibilities of trustees**

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

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

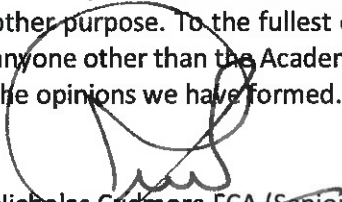
**Auditors' responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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



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

Date: 17<sup>th</sup> December 2012

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

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

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In accordance with the terms of our engagement letter dated 26 November 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by EFSA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

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**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 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:

17<sup>th</sup> December 2019

**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 2019

	Note	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
<b>INCOME AND ENDOWMENTS FROM:</b>						
Donations and capital grants	2	-	2	576	578	92
Transfer of existing academies into the trust		-	-	-	-	-
Other trading activities	3	90	15	-	105	131
Investment income		28	-	-	28	-
Funding for the Academy Trust's educational operations	5	371	18,025	-	18,396	17,267
Teaching school income	37	-	317	-	317	281
<b>TOTAL</b>		<b>489</b>	<b>18,359</b>	<b>576</b>	<b>19,424</b>	<b>17,771</b>
<b>EXPENDITURE ON:</b>						
Raising funds	4	17	-	-	17	1
Academy Trust's educational operations	6	314	18,395	959	19,668	18,900
Teaching school operations	6	-	273	-	273	244
<b>TOTAL</b>	6	<b>331</b>	<b>18,668</b>	<b>959</b>	<b>19,958</b>	<b>19,145</b>
<b>NET INCOME / (EXPENDITURE)</b>		<b>158</b>	<b>(309)</b>	<b>(383)</b>	<b>(534)</b>	<b>(1,374)</b>

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

**STATEMENT OF FINANCIAL ACTIVITIES (continued)**  
(Incorporating income and expenditure account and statement of total recognised gains and losses)  
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Transfers between funds	23	(65)	(134)	199	-	-
<b>Other recognised gains/ (losses):</b>						
Actuarial gains / (losses) on defined benefit pension schemes		-	(2,858)	-	(2,858)	1,863
Unrealised gain on revaluation of investments			104		104	
<b>NET MOVEMENT IN FUNDS</b>		<b>93</b>	<b>(3,197)</b>	<b>(184)</b>	<b>(3,288)</b>	<b>489</b>
<b>Reconciliation of funds</b>						
<i>Total funds brought forward</i>		<i>638</i>	<i>(1,685)</i>	<i>27,680</i>	<i>26,633</i>	<i>26,144</i>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>731</b>	<b>(4,882)</b>	<b>27,496</b>	<b>23,345</b>	<b>26,633</b>

All activities relate to continuing operations.

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

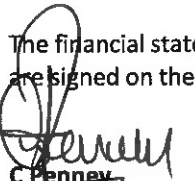
The notes on pages 31 to 67 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**  
**REGISTERED NUMBER: 08158309**

	Note	2019		2018	
		£000	£000	£000	£000
<b>FIXED ASSETS</b>					
Intangible assets	16		-		-
Tangible assets	17		27,168		27,554
Investments	18		1,604		-
			<u>28,772</u>		<u>27,554</u>
<b>CURRENT ASSETS</b>					
Stocks	19	8		12	
Debtors	20	1,481		1,054	
Cash at bank and in hand		2,433		4,093	
		<u>3,922</u>		<u>5,159</u>	
<b>CREDITORS: amounts falling due within one year</b>	21	<u>(1,563)</u>		<u>(1,951)</u>	
<b>NET CURRENT ASSETS</b>			<u>2,359</u>		<u>3,208</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>31,131</u>		<u>30,762</u>
<b>CREDITORS: amounts falling due after more than one year</b>	22		<u>(34)</u>		<u>(55)</u>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITY</b>			<u>31,097</u>		<u>30,707</u>
Defined benefit pension scheme liability	34		<u>(7,752)</u>		<u>(4,074)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<u>23,345</u>		<u>26,633</u>
<b>FUNDS OF THE ACADEMY TRUST</b>					
Restricted funds:					
General Restricted funds	23	2,870		2,389	
Restricted fixed asset funds	23	27,496		27,680	
Restricted funds excluding pension liability		<u>30,366</u>		<u>30,069</u>	
Pension reserve		<u>(7,752)</u>		<u>(4,074)</u>	
Total restricted funds			<u>22,614</u>		<u>25,995</u>
Unrestricted funds	23		731		638
<b>TOTAL FUNDS</b>			<u>23,345</u>		<u>26,633</u>

The financial statements were approved by the Trustees, and authorised for issue, on 16 December 2019 and are signed on their behalf, by:

  
C Penney  
Chair of Trustees

  
H Joyce  
Acting Chief Executive Officer and Accounting Officer

The notes on pages 31 to 67 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 2019**

	Note	Year 31 August 2019 £000	Year 31 August 2018 £000
<b>Cash flows from operating activities</b>			
Net cash provided (used in) operating activities	27	(170)	514
<b>Cash flows from investing activities</b>	28	<b>(1,469)</b>	<b>(927)</b>
<b>Cash flows from financing activities</b>	29	<b>(21)</b>	<b>(20)</b>
<b>Cash balances inherited on transfer of academies into the trust</b>		-	-
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(1,660)</b>	<b>(433)</b>
Cash and cash equivalents at 1 September 2018		4,093	4,526
<b>Cash and cash equivalents at 31 August 2019</b>	31	<b>2,433</b>	<b>4,093</b>

The notes on pages 31 to 67 form part of these financial statements.

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

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements of the Academy Trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 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 2019

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**ACCOUNTING POLICIES (continued)**

**1.4 Incoming resources**

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

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

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

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

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

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

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

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

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ACCOUNTING POLICIES (continued)

**1.5 Resources expended**

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

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

**1.6 Intangible fixed assets**

Intangible assets costing more than £10,000 are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Computer software            - 33% straight line

**1.7 Investments**

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

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

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

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**ACCOUNTING POLICIES (continued)**

**1.8 Tangible fixed assets and depreciation**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

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

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

**1.9 Stock**

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

**1.10 Cash at bank and in hand**

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

**1.11 Debtors**

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

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

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ACCOUNTING POLICIES (continued)

**1.12 Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**1.13 Provisions**

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.14 Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.15 Financial Instruments**

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

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

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

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

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

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ACCOUNTING POLICIES (continued)

1.16 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 34, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

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

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**ACCOUNTING POLICIES (continued)**

**1.17 Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Critical accounting estimates and assumptions**

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any change in these assumptions, which are disclosed in note 34, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pension liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**1.18 Transfer on conversion**

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

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

**2. DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Donations	-	2	2	2
Donated fixed assets	-	-	-	-
Capital grants	-	576	576	90
Other voluntary income	-	-	-	-
<b>Voluntary income</b>	<b>-</b>	<b>578</b>	<b>578</b>	<b>92</b>

**3. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Lettings income	44	-	44	33
Catering income	30	-	30	-
Sale of goods	10	-	10	10
Receipts from supply teacher insurance claims	-	13	13	-
Other income	6	2	8	88
	<b>90</b>	<b>15</b>	<b>105</b>	<b>131</b>

**4. EXPENDITURE ON RAISING FUNDS**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Other expenses	17	-	17	1
Wages and salaries	-	-	-	-
	<b>17</b>	<b>-</b>	<b>17</b>	<b>1</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Funding for the Academy Trust's educational operations	371	18,025	18,396	17,267

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

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
<b>DfE/ESFA Revenue grants</b>				
General Annual Grant (GAG)	-	15,236	15,236	14,727
Start Up Grant	-	-	-	-
Pupil Premium	-	1,004	1,004	978
Other DfE/EFA Revenue grants	-	594	594	433
	-	16,834	16,834	16,138
<b>Other Government grants</b>				
SEN 1 – 1 Funding	-	377	377	299
Other Local Authority revenue grants	-	646	646	250
Other government grants	-	28	28	310
	-	1,051	1,051	859
<b>Other income</b>				
Non-government grants	-	46	46	-
Catering income	219	-	219	189
Other income	152	94	246	81
	371	140	511	270
	371	18,025	18,396	17,267



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**6. EXPENDITURE**

	<b>Staff costs</b>	<b>Premises</b>	<b>Other costs</b>	<b>Total</b>	<i>Total</i>
	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<i>2018</i>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<i>£000</i>
Expenditure on raising funds	-	-	17	17	1
Academy Trust's educational operations:					
Direct costs	12,294	583	2,148	15,025	14,514
Allocated support costs	2,150	1,465	1,028	4,643	4,386
	<b>14,444</b>	<b>2,048</b>	<b>3,176</b>	<b>19,668</b>	<b>18,900</b>
Teaching school operations:					
Direct costs	217	-	34	251	227
Allocated support costs	16	-	6	22	17
	<b>233</b>	<b>-</b>	<b>40</b>	<b>273</b>	<b>244</b>
	<b>14,677</b>	<b>2,048</b>	<b>3,233</b>	<b>19,958</b>	<b>19,145</b>

Net income/ (expenditure) for the period includes:

	<b>2019</b>	<i>2018</i>
	<b>£000</b>	<i>£000</i>
Auditors' remuneration – audit services	<b>15</b>	17
Auditors' remuneration – other services	<b>3</b>	(1)
Internal auditors' remuneration	<b>2</b>	3
Operating leases – plant and machinery	-	3
Operating leases – other leases	<b>9</b>	9
Depreciation	<b>959</b>	986
Amortisation	-	-
Loss/(gain) on disposal of fixed assets	<b>(10)</b>	-

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

**7. DIRECT COSTS**

	Teaching school £000	Educational Operations £000	Total 2019 £000	<i>Total 2018 £000</i>
Teaching and educational support staff costs	217	12,294	12,511	11,947
Educational supplies	15	1,046	1,061	951
Technology costs	-	428	428	468
Examination fees	-	109	109	92
Staff development	18	127	145	190
Other costs	1	62	63	107
Depreciation	-	959	959	986
	<b>251</b>	<b>15,025</b>	<b>15,276</b>	<b>14,741</b>

**8. SUPPORT COSTS**

	Teaching school £000	Educational Operations £000	Total 2019 £000	<i>Total 2018 £000</i>
Support staff costs	16	2,150	2,166	2,214
Recruitment and support	-	52	52	47
Premise costs	-	1,465	1,465	1,342
Catering	-	409	409	371
Other costs	6	294	300	116
Pension income	-	122	122	135
Technology costs	-	108	108	87
Governance	-	53	53	91
(Gain)/loss on disposal	-	(10)	(10)	-
	<b>22</b>	<b>4,643</b>	<b>4,665</b>	<b>4,403</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**9. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	<b>Activities Undertaken directly 2019 £000</b>	<b>Support Costs 2019 £000</b>	<b>Total funds 2019 £000</b>	<i>Total funds 2018 £000</i>
Academy Trust's educational operations	15,025	4,643	19,668	18,900
Teaching school operations	251	22	273	244

**10. COMPARATIVE INFORMATION**

	<b>Unrestricted funds 2018 £000</b>	<b>Restricted funds 2018 £000</b>	<b>Restricted fixed asset funds 2018 £000</b>	<b>Total funds 2018 £000</b>
<b>INCOME AND ENDOWMENTS FROM:</b>				
Donations and capital grants	-	2	90	92
Transfer of existing academies into the trust	-	-	-	-
Other trading activities	56	75	-	131
Investment income	-	-	-	-
Funding for the Academy Trust's educational operations	266	17,011	-	17,267
Teaching school income	-	281	-	281
<b>TOTAL</b>	<b>322</b>	<b>17,359</b>	<b>90</b>	<b>17,771</b>
<b>EXPENDITURE ON:</b>				
Raising funds	1	-	-	1
Academy Trust's educational operations	245	17,669	986	18,900
Teaching school operations	-	244	-	244
<b>TOTAL</b>	<b>246</b>	<b>17,913</b>	<b>986</b>	<b>19,145</b>

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**11. STAFF**

**a. Staff costs**

Staff costs were as follows:

	<b>Year</b>	<b>Year</b>
	<b>31 August</b>	<b>31 August</b>
	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	10,711	10,114
Social security costs	965	900
Operating costs of defined benefit pension schemes (Note 34)	2,491	2,446
Apprenticeship levy	39	36
Recovery of staff costs for employees seconded out of the organisation	(200)	-
	<b>14,006</b>	<b>13,496</b>
Supply staff costs	644	608
Staff restructuring costs	27	57
	<b>14,677</b>	<b>14,161</b>
Staff restructure costs comprise:		
Redundancy payments	-	25
Severance payments	27	32
Other restructure costs	-	-
	<b>27</b>	<b>57</b>

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

Included within staff restructuring costs are non-statutory/non-contractual severance payments totalling £2,931 (2018: £nil).

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

**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 2019 No.	Year 31 August 2018 No.
Teaching staff	180	173
Admin and support staff	263	265
Management	9	12
	452	450

**d. Higher paid staff**

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

	Year 31 August 2019 No	Year 31 August 2018 No
In the band £60,001 - £70,000	5	8
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	1	-
In the band £170,001 - £180,000	1	-
In the band £230,001 - £240,000	-	1
	9	10

8 (2018: 8) of the above employees participated in a pension scheme. During the year ended 31 August 2019 employer's pension contributions for these staff amounted to £95,566 (2018: £95,861).

**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 £964,720 (2018: £961,211).

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

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**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:

	<b>2019</b>	<i>2018</i>
	<b>£000</b>	<i>£000</i>
Haven High Academy	<b>305</b>	<i>298</i>
Carlton Road Academy	<b>96</b>	<i>98</i>
Staniland Academy	<b>116</b>	<i>110</i>
Wygate Park Academy	<b>32</b>	<i>29</i>
Park Academy	<b>94</b>	<i>87</i>
Boston Pioneers Free School	<b>71</b>	<i>59</i>
Fishtoft Academy	<b>16</b>	<i>18</i>
Gosberton Academy	<b>28</b>	<i>30</i>
	<hr/>	<hr/>
<b>Total</b>	<b>758</b>	<i>729</i>

The Academy Trust also recharges the cost of other services to the Academies based on budgeted usage 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:

	<b>2019</b>
	<b>£000</b>
Haven High Academy	<b>143</b>
Carlton Road Academy	<b>230</b>
Staniland Academy	<b>232</b>
Wygate Park Academy	<b>55</b>
Park Academy	<b>195</b>
Boston Pioneers Free School	<b>142</b>
Fishtoft Academy	<b>25</b>
Gosberton Academy	<b>66</b>
	<hr/>
<b>Total</b>	<b>1,088</b>

During the year the Academy Trust pooled £100,000 of GAG income. These funds were used to support the Academy Trust objectives.

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**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:

	<b>Year</b>	<b>Year</b>
	<b>31 August</b>	<b>31 August</b>
	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Mr A Reed, Chief Executive Officer and Accounting Officer		
- Remuneration	<b>170-180</b>	<i>230-240</i>
- Employer's pension contributions	<b>0</b>	<i>0</i>
Mrs H W Joyce, Acting Chief Executive Officer and Accounting Officer		
- Remuneration	<b>20-30</b>	<i>0</i>
- Employer's pension contributions	<b>0-10</b>	<i>0</i>

During the year ended 31 August 2019, expenses totalling £636 (2018 - £132) were reimbursed to 1 Trustees (2018 - 1).

**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 2019 was £941 (2018 - £941). The cost of this insurance is included in the total insurance cost.

**15. OTHER FINANCE INCOME**

	<b>Year</b>	<b>Year</b>
	<b>31 August</b>	<b>31 August</b>
	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Interest income on plan assets	<b>242</b>	<i>182</i>
Interest on pension scheme liabilities	<b>(364)</b>	<i>(317)</i>
	<b>(122)</b>	<i>(135)</i>

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**FOR THE YEAR ENDED 31 AUGUST 2019**

**16. INTANGIBLE FIXED ASSETS**

	<b>Computer software £000</b>	<b>Total £000</b>
<b>Cost</b>		
At 1 September 2018	27	27
Additions	-	-
Donation of assets	-	-
Disposals	-	-
<b>At 31 August 2019</b>	<b>27</b>	<b>27</b>
<b>Amortisation</b>		
At 1 September 2018	27	27
Charge for the year	-	-
Disposals	-	-
<b>At 31 August 2019</b>	<b>27</b>	<b>27</b>
<b>Net book value</b>		
At 31 August 2019	-	-
<i>At 31 August 2018</i>	-	-



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**17. TANGIBLE FIXED ASSETS**

	Long Leasehold Property £000	Freehold land and buildings £000	Fixtures and fittings £000	Computer Equipment £000
<b>Cost</b>				
At 1 September 2018	21,126	7,912	1,572	1,526
Additions	95	288	144	-
Reclassification	-	-	-	-
Disposals	-	-	-	-
<b>At 31 August 2019</b>	<b>21,221</b>	<b>8,200</b>	<b>1,716</b>	<b>1,526</b>
<b>Depreciation</b>				
At 1 September 2018	2,505	-	957	1,146
Charge for the year	583	-	198	163
Reclassification	-	-	-	-
Disposals	-	-	-	-
<b>At 31 August 2019</b>	<b>3,088</b>	<b>-</b>	<b>1,155</b>	<b>1,309</b>
<b>Net book value</b>				
At 31 August 2019	<b>18,133</b>	<b>8,200</b>	<b>561</b>	<b>217</b>
<i>At 31 August 2018</i>	<i>18,621</i>	<i>7,912</i>	<i>615</i>	<i>380</i>
	Motor Vehicles £000	Assets Under Construction £000	Total £000	
<b>Cost</b>				
At 1 September 2018	91	-	32,227	
Additions	46	-	573	
Reclassification	-	-	-	
Disposals	-	-	-	
<b>At 31 August 2019</b>	<b>137</b>	<b>-</b>	<b>32,800</b>	
<b>Depreciation</b>				
At 1 September 2018	65	-	4,673	
Charge for the year	15	-	959	
Reclassification	-	-	-	
Disposals	-	-	-	
<b>At 31 August 2019</b>	<b>80</b>	<b>-</b>	<b>5,632</b>	
<b>Net book value</b>				
At 31 August 2019	<b>57</b>	<b>-</b>	<b>27,168</b>	
<i>At 31 August 2018</i>	<i>26</i>	<i>-</i>	<i>27,554</i>	

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**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.

The acquisition of freehold land at Fishtoft Academy includes the purchase of land and associated costs at a value of £29,627.

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

**18. INVESTMENTS**

	<b>Total</b>
	<b>£000</b>
At 1 September 2018	-
Additions	1,569
Disposals	(69)
Revaluation	104
	1,604
At 31 August 2019	1,604

**19. STOCKS**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Clothing	-	-
Catering goods	6	3
Other	2	9
	8	12

**20. DEBTORS**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	17	81
VAT recoverable	279	446
Other debtors	856	4
Prepayments and accrued income	329	523
	1,481	1,054

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

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Other loans	15	14
Trade Creditors	477	804
Other taxation and social security	244	229
Other creditors	288	219
Accruals and deferred income	539	685
	<b>1,563</b>	<b>1,951</b>

Deferred income as at 31 August 2019 includes the following grant and non-grant income that relates to the year ended 31 August 2020:

	<b>£000</b>
Universal Infant Free School Meal income	173
Lettings income	5
Local authority income	59
Other	-

**Deferred income**

	<b>2019</b>
	<b>£000</b>
Deferred income at 1 September 2018	340
Resources deferred during the year	237
Amounts released from previous year	(340)
	<b>237</b>

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

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Other loans	34	55

Included in other loans falling due after more than one year is £11,938 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 £21,929 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 2019**

**23. STATEMENT OF FUNDS**

	Brought Forward £000	Incoming Resources £000	Resources Expended £000	Transfers In/out £000	Gains/ (Losses) £000	Carried Forward £000
<b>Unrestricted Funds</b>						
Other income not for capital purposes	638	489	(331)	(65)	-	731
<b>Restricted funds</b>						
General Annual Grant (GAG)	2,190	15,236	(14,696)	(216)	104	2,618
Other DfE/EFA Grants	106	1,915	(1,964)	82	-	139
Government grants	3	1,051	(1,031)	-	-	23
Other restricted income	90	157	(157)	-	-	90
Pension reserve	(4,074)	-	(820)	-	(2,858)	(7,752)
	(1,685)	18,359	(18,668)	(134)	(2,754)	(4,882)
<b>Restricted fixed asset funds</b>						
DfE/EFA capital grants	288	567	(52)	(82)	-	721
Capital expenditure from GAG	3,446	-	(487)	216	-	3,175
Capital expenditure from other income	16,319	9	(356)	65	-	16,037
Transfer of existing academies into the trust	7,627	-	(64)	-	-	7,563
	27,680	576	(959)	199	-	27,496
<b>Total restricted funds</b>	<b>25,995</b>	<b>18,935</b>	<b>(19,627)</b>	<b>65</b>	<b>(2,754)</b>	<b>22,614</b>
<b>Total of funds</b>	<b>26,633</b>	<b>19,424</b>	<b>(19,958)</b>	<b>-</b>	<b>(2,754)</b>	<b>23,345</b>

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

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

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

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

Other DFE / 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 £820,000. 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 £2,858,000 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 2019.

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

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

**Analysis of Academies by fund balance**

Fund balances at 31 August 2019 were allocated as follows:

	<b>Total</b>	<b>Total</b>
	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Haven High Academy	683	678
Carlton Road Academy	754	624
Staniland Academy	770	648
Wygate Park Academy	222	300
Park Academy	399	271
Boston Pioneers Free School	178	171
Fishtoft Academy	88	113
Gosberton Academy	39	6
The Boston Witham Academies Federation	468	216
<hr/>		
Total before fixed asset fund and pension reserve	3,601	3,027
Restricted fixed asset fund	27,496	27,680
Pension reserve	(7,752)	(4,074)
<hr/>		
<b>Total</b>	<b>23,345</b>	<b>26,633</b>
<hr/>		

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

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

**Analysis of Academies by cost**

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs £000	Total £000
Haven High Academy	4,414	429	398	1,347	6,588
Carlton Road Academy	1,320	92	88	354	1,854
Staniland Academy	1,772	105	93	412	2,382
Wygate Park Academy	623	76	74	154	927
Park Academy	1,139	86	101	326	1,652
Boston Pioneers Free School	1,016	105	96	204	1,421
Fishtoft Academy	240	29	29	88	386
Gosberton Academy	375	42	34	131	582
The Boston Witham Academies Federation	1,207	909	148	123	2,387
FRS102 adjustments	405	293	-	122	820
Depreciation		-	-	959	959
	<b>12,511</b>	<b>2,166</b>	<b>1,061</b>	<b>4,220</b>	<b>19,958</b>

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

	Brought Forward £000	Incoming Resources £000	Resources Expended £000	Transfers In/out £000	Gains/ (Losses) £000	Carried Forward £000
<b>Unrestricted Funds</b>						
Other income not for capital purposes	562	322	(246)	-	-	638
<b>Restricted funds</b>						
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)
<b>Restricted fixed asset funds</b>						
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
<b>Total restricted funds</b>	<b>25,582</b>	<b>17,449</b>	<b>(18,899)</b>	<b>-</b>	<b>1,863</b>	<b>25,995</b>
<b>Total of funds</b>	<b>26,144</b>	<b>17,771</b>	<b>(19,145)</b>	<b>-</b>	<b>1,863</b>	<b>26,633</b>



**THE BOSTON WITHAM ACADEMIES FEDERATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Fixed assets	-	1,604	27,168	28,772	27,554
Current assets	731	2,863	328	3,922	5,159
Creditors due within one year	-	(1,563)	-	(1,563)	(1,951)
Creditors due within more than one year	-	(34)	-	(34)	(55)
Provisions for liabilities and charges	-	(7,752)	-	(7,752)	(4,074)
	<b>731</b>	<b>(4,882)</b>	<b>27,496</b>	<b>23,345</b>	<b>26,633</b>

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

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

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

**25. CAPITAL COMMITMENTS**

At 31 August 2019 the Academy Trust had capital commitments as follows:

	<b>2019</b>	<i>2018</i>
	<b>£000</b>	<i>£000</i>
Contracted for but not provided in these financial statements	<b>59</b>	<i>921</i>

**26. OPERATING LEASE COMMITMENTS**

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>		<b>Other</b>	
	<b>2019</b>	<i>2018</i>	<b>2019</b>	<i>2018</i>
	<b>£000</b>	<i>£000</i>	<b>£000</b>	<i>£000</i>
<b>Expiry Date:</b>				
Within 1 year	<b>9</b>	<i>9</i>	-	-
Between 2 and 5 years	<b>35</b>	<i>35</i>	-	-
After more than 5 years	<b>982</b>	<i>991</i>	-	-

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

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

	<b>Year</b>	
	<b>31 August</b>	<i>Year 31</i>
	<b>2019</b>	<i>August 2018</i>
	<b>£000</b>	<i>£000</i>
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	<b>(534)</b>	<i>(1,374)</i>
Adjusted for:		
Interest received	<b>(28)</b>	-
Assets and liabilities inherited	-	-
Depreciation of tangible fixed assets	<b>959</b>	<i>986</i>
Amortisation of intangible fixed assets	-	-
Loss on disposal of tangible fixed assets	-	-
Capital grants from DfE and other capital income	<b>(576)</b>	<i>(90)</i>
(Increase) / decrease in stocks	<b>4</b>	<i>(7)</i>
(Increase) / decrease in debtors	<b>(427)</b>	<i>(257)</i>
Increase / (decrease) in creditors	<b>(388)</b>	<i>351</i>
Defined benefit pension liability inherited	-	-
Defined benefit pension scheme finance cost	<b>122</b>	<i>135</i>
Defined benefit pension scheme cost less contributions paid	<b>698</b>	<i>770</i>
	<hr/>	<hr/>
<b>Net cash provided by / (used in) Operating Activities</b>	<b>(170)</b>	<i>514</i>

**28. CASH FLOWS FROM INVESTING ACTIVITIES**

	<b>Year</b>	
	<b>31 August</b>	<i>Year 31</i>
	<b>2019</b>	<i>August 2018</i>
	<b>£000</b>	<i>£000</i>
Dividends, interest and rents from investments	<b>28</b>	-
Purchase of tangible fixed assets	<b>(573)</b>	<i>(1,017)</i>
Purchase of investments	<b>(1,569)</b>	-
Capital grants from DfE/ ESFA	<b>567</b>	<i>71</i>
Capital funding received from sponsors and others	<b>9</b>	<i>19</i>
Proceeds from sale of tangible fixed assets	-	-
Proceeds from sale of investments	<b>69</b>	-
	<hr/>	<hr/>
<b>Net cash provided by / (used in) investing activities</b>	<b>(1,469)</b>	<i>(927)</i>

**THE BOSTON WITHAM ACADEMIES FEDERATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**29. CASH FLOWS FROM FINANCING ACTIVITIES**

	<b>Year 31 August 2019 £000</b>	<i>Year 31 August 2018 £000</i>
Repayments of borrowing	(21)	(20)
Cash inflows from new borrowing	-	-
	<hr/> <b>(21)</b>	<hr/> <b>(20)</b>

**30. MAJOR NON CASH TRANSACTIONS**

There have been no major non cash transactions during the year.

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

	<b>At 31 August 2019 £000</b>	<i>At 31 31 August 2018 £000</i>
Cash at bank and in hand	<b>2,433</b>	4,093
	<hr/> <b>2,433</b>	<hr/> 4,093

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

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**32. CONTINGENT LIABILITIES**

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

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

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

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

**33. MEMBERS LIABILITY**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amounts as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

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

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### **34. PENSION COMMITMENTS**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £222,190 were payable to the schemes at 31 August 2019 (2018 - £204,415) 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**

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;
- 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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**34. PENSION COMMITMENTS (continued)**

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 September 2019.

The pension costs paid to TPS in the period amounted to £1,077,155 (2018: £1,017,357).

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 2019 was £930,058 (2018: £854,101), of which employer's contributions totalled £716,231 (2018: £659,084) and employees' contributions totalled £213,827 (2018: £195,017). 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:

	<b>2019</b>	<b>2018</b>
Rate of increase in salaries	<b>2.7 %</b>	2.7 %
Rate of increase for pensions in payment/inflation	<b>2.3 %</b>	2.3 %
Discount rate for scheme liabilities	<b>1.9 %</b>	2.8 %

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

	<b>2019</b>	<b>2018</b>
Retiring today		
Males	<b>21.2</b>	22.1
Females	<b>23.5</b>	24.4
Retiring in 20 years		
Males	<b>22.5</b>	24.1
Females	<b>25.2</b>	26.6

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**34. PENSION COMMITMENTS (continued)**

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

	<b>Fair value at 31 August 2019 £000</b>	<i>Fair value at 31 August 2018 £000</i>
Equities	<b>7,010</b>	6,006
Bonds	<b>1,536</b>	1,234
Property	<b>960</b>	905
Cash	<b>97</b>	82
Total market value of assets	<b>9,603</b>	8,227
Present value of scheme liabilities	<b>(17,355)</b>	(12,301)
(Deficit)/surplus in the scheme	<b>(7,752)</b>	(4,074)

The amounts recognised in the Balance Sheet are as follows:

	<b>Year 31 August 2019 £000</b>	<i>Year 31 August 2018 £000</i>
Present value of funded obligations	<b>(17,355)</b>	(12,301)
Fair value of scheme assets	<b>9,603</b>	8,227
Net liability	<b>(7,752)</b>	(4,074)

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

	<b>Year 31 August 2019 £000</b>	<i>Year 31 August 2018 £000</i>
Current service cost	<b>1,324</b>	1,430
Net interest cost	<b>122</b>	135
Past service cost	<b>89</b>	-
Benefit changes, gains/(losses) on curtailments and gain/(loss) on settlements	<b>-</b>	-
Total operating charge	<b>1,535</b>	1,565
Return on scheme assets	<b>285</b>	392



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**34. PENSION COMMITMENTS (continued)**

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

	Year 31 August 2019 £000	Year 31 August 2018 £000
Opening defined benefit obligation	12,301	11,919
Transfer in on existing academies joining the trust	-	-
Current service cost	1,324	1,430
Interest cost	364	317
Past service cost	89	-
Contributions by employees	213	195
Actuarial (gain)/ losses	3,143	(1,471)
Benefits paid	(79)	(89)
Closing defined benefit obligation	<u>17,355</u>	<u>12,301</u>

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

	Year 31 August 2019 £000	Year 31 August 2018 £000
Opening fair value of scheme assets	8,227	6,887
Transfer in on existing academies joining the trust	-	-
Interest income	242	182
Actuarial gain/ (losses)	285	392
Contributions by employer	715	660
Contributions by employees	213	195
Benefits paid	(79)	(89)
	<u>9,603</u>	<u>8,227</u>

The Academy Trust expects to contribute £715,000 to its Defined benefit pension scheme during the 2020 financial year.

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

	2019	2018
Equities	73.00 %	73.00 %
Bonds	16.00 %	15.00 %
Property	10.00 %	11.00 %
Cash	1.00 %	1.00 %

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**34. PENSION COMMITMENTS (continued)**

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	<b>2019</b>	2018	2017	2016	2015
	<b>£000</b>	£000	£000	£000	£000
Defined benefit obligation	17,355	12,301	11,919	9,780	6,283
Scheme assets	9,603	8,227	6,887	4,229	3,114
Deficit	(7,752)	(4,074)	(5,032)	(5,481)	(3,169)
Experience Gains/ (Losses) on scheme liabilities	(3,143)	(1,471)	(1,321)	(2,625)	94
Experience Gains/ (Losses) on scheme assets	285	392	618	542	(35)

Sensitivity analysis:

	<b>2019</b>	2018
	<b>£000</b>	£000
Change in assumptions		
0.5% decrease in Real Discount Rate	<b>2,667</b>	1,850
0.5% increase in the Salary Increase Rate	<b>344</b>	289
0.5% increase in the Pension Increase Rate	<b>2,273</b>	1,539

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

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**35. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted 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, was employed by the Academy Trust as a teacher. R Reed, son of A Reed, the CEO and Accounting Officer, was 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.

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

**36. CONTROLLING PARTY**

The Trustees have ultimate control of the Academy Trust.

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

**37. TEACHING SCHOOL TRADING ACCOUNT**

	<b>31 August 2019</b>	<b>31 August 2018</b>
	<b>£000</b>	<b>£000</b>
<b>Income</b>		
- Direct income	334	281
- Other income	-	-
<b>Total income</b>	<u>334</u>	<u>281</u>
<b>Direct costs</b>		
- Staff costs	232	156
- Educational supplies	16	27
- Training costs	18	40
- Other direct costs	-	4
<b>Total direct costs</b>	<u>266</u>	<u>227</u>
<b>Other costs</b>		
- Staff costs	22	14
- Other support costs	6	3
- Rent	12	12
<b>Total other costs</b>	<u>40</u>	<u>29</u>
<b>Total expenditure</b>	<u>306</u>	<u>256</u>
<b>Surplus/(Deficit) from all sources</b>	<u>28</u>	<u>25</u>
Teaching school balances at 1 September	69	44
<b>Teaching school balances at 31 August</b>	<u>97</u>	<u>69</u>