Bishop Wordsworth's Church of England Grammar School

(A company limited by guarantee)

Tenth Annual Report and Financial Statements

Year ended 31st August 2020

Company registration number: 7525856 (England & Wales)

Bishop Wordsworth's Church of England Grammar School

Contents	Page
Reference and Administrative Details	1
Governors' Report	3
Governance Statement	19
Statement on Regularity, Propriety and Compliance	24
Statement of Governors' Responsibilities	25
Independent Auditor's Report	27
Independent Auditor's Report on the Financial Statements	28
Independent Auditor's Report on Regularity	31
Accounts	33
Statement of Financial Activities Incorporating the Income and Expenditure Account	34
Balance Sheet	35
Statement of Cash Flows	36
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	37
Other Notes to the Financial Statements	41

Bishop Wordsworth's Church of England Grammar School

REFERENCE AND ADMINISTRATIVE DETAILS

Members
The Bishop of Salisbury (Represented by Mr A Willis from 21 Oct 19)
The Salisbury Diocesan Board of Education (Represented by Mrs J Ranaboldo)
The Chapter of Salisbury Cathedral (Represented by Canon E Probert)
The Chair of Governors

Governors
Miss M J Horsburgh MA(Oxon) (Chair)
Mr A Willis * (from 21 October 2019 and Representing the Bishop)
Prof A J Bell MA (Oxon) PhD
Mr J R B Blake *
Dr G Branagan MS FRCS* (Parent Governor)
Brig R A P Cary* (from 7 July 2020)
Wg Cdr K G M Flynn BSc FCMA GMCA CMgr FMCI CIWFM*
Mr M Francis-Pollin BA MSc (Parent Governor)
Dr S Ghauri MA MD FRCS* (Co-opted Governor)
Dr V Green PhD PGCE (to 11 December 2019)
Mrs R Harwood Lincoln*
Mr J Hastings (Vice Chair)
Mrs S Hayward
Mr J M Oldham *
Canon E Probert MA BA
Mrs J Ranaboldo LLB

Dr S D Smallwood PhD * (Headmaster and Accounting Officer)

Company Secretary
Lieutenant Colonel D J Peerless BSc MSc

Leadership Team
Dr S D Smallwood PhD* (Headmaster)
Mr G Lloyd MA (Deputy Headmaster, Curriculum Director, Staffing)
Dr E Baker BSc, PhD (Director of Science, NQT Induction tutor to 19 Apr 20)
Mr D Brown BSc (Head of Lower School)
Mrs Z Lambard BSc (Head of Sixth Form, Designated Safeguarding Lead)
B L Smith MA(Oxon), MSc, FCIS (Bursar, i/c: Budget and Finance, Estate, Health & Safety, HR, Professional Support Staff, Data Protection Officer)
Mr A Harmsworth BSc (Assistant Head: Director of Assessment & ICT, Timetable)
Mrs M Jenner BSc (Head of Middle School)
Mr J Rogers BSc (Assistant Head, Performance Management & Appraisal, CP Development, i/c Initial Teacher Training)

* Member of Finance, Audit and Risk Committee

REFERENCE AND ADMINISTRATIVE DETAILS (Continued)

Registered Office	11 The Close Salisbury SP1 2ED
Company Registration Number	7525856 (England and Wales)
Independent Auditors	Fawcetts LLP Windover House St Ann Street Salisbury SP1 2DR
Bankers	Lloyds plc Blue Boar Row Salisbury SP1 1DA
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ

Bishop Wordsworth's Church of England Grammar School

GOVERNORS' REPORT

1. The Governors present their tenth Annual Report together with the Financial Statements and Auditors' Report of Bishop Wordsworth's Church of England Grammar School, the charitable company, (the School) for the 12 months to 31 August 2020. The Annual Report serves the purposes of a trustees' report under charitable law and a directors' report under company law.

2. **Principal Activities.** The Trust is an academy that provides secondary education for boys from 11-18 years of age and had 974 pupils on roll at the end of the 2019/20 academic year. It offers a balanced and broadly-based curriculum until the age of 16, an 'A' Level curriculum from age 16 to 18 and prepares boys for external examination and subsequent entry to higher education in a wide range of academic disciplines. Pupils are drawn from Salisbury, South Wiltshire and West Hampshire. As well as academic work, the School offers an extensive and highly successful programme of extra-curricular activities for pupils from across the entire age range. The School is a selective school within the meaning of section 6(4) of the Academies Act 2010 and is designated with a religious character as Church of England. The Christian tradition is central to the core values of the School.

STRUCTURE GOVERNANCE AND MANAGEMENT

3. **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 Trust and are part of the Funding Agreement between the Company and the Secretary of State for Education. The Governors are the directors of the Charitable Company for the purposes of company law. The charitable company operates as Bishop Wordsworth's Church of England Grammar School. Details of the Governors who served throughout the year and to the date that these accounts are approved are included in the Reference and Administrative Details on Page 1.

4. **Members.** There are four members of the Academy Trust who are specified in the Articles of Association:

   a. The Bishop: normally represented by an individual appointed by him.

   b. The Salisbury Diocese Board of Education (SDBE): a corporate member represented by a SDBE member who is normally also a governor.

   c. The Chapter of the Salisbury Cathedral: a corporate member represented by a Chapter member who is normally also a governor.

   d. The current elected Chair of the Governing Body.

5. **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.

6. **Governors.** The directors/trustees/governors are referred to as 'governors' and together form the 'Governing Body'. There are different classes of governors as described at Paragraph 8 but all have equal votes.

7. **Governors' Indemnities.** There are no qualifying third-party indemnity provisions.

8. **Appointment or Election of Governors.**

a. The Members appoint up to 12 governors, one of whom is required to be the Diocesan Bishop who is ex-officio and who normally appoints a representative both to represent him as a Governor and a Member (Subparagraph 4.a above refers).

b. The Members may appoint 2 staff governors as follows (but have directed that, if possible, they be elected): a teacher, elected by the teaching staff, and a member of the support staff, elected by the support staff.

c. Two parent governors are elected by parents/guardians of pupils.

d. The Headmaster is an ex-officio governor.

e. The Governing Body, with the consent of the Diocesan Board of Education, may appoint up to three people as co-opted governors.

9. **Approach to Recruiting.** Members and governors recruit people normally with religious beliefs consistent with the Christian ethos of the School and with a range of experience that will benefit the School, particularly in education, law, business, finance and accounting.

10. **Induction and Training of Members and Governors.** New members and governors are given an extensive briefing on the governance of the School by the Company Secretary. This includes meeting the Headmaster and the Chair of Governors; a tour of the School; the layout of the School Website including in particular the location of the governors' section; which sections of the governors' information pack should be studied initially and what training is available and appropriate. Thereafter, the Company Secretary advises governors when relevant training courses are scheduled and advises as necessary on relevant law and procedure.

11. **Organisational Structure – Governance.** The Members meet at least once each year to hold an AGM and may hold other general meetings if necessary. Governors may also call general meetings and are invited to attend and speak but only Members may vote. The Annual General Meeting is normally held after the late Autumn Governing Body Meeting. The Governing Body meets at least once a term and the Members are invited. If there are any items for Members a general meeting is then convened. Responsibilities are as follows:

a. **Members.** Members are primarily responsible for the ethos of the School and therefore powers to make, or apply to the Department for Education (DfE) to make, fundamental changes to the School lie with them. For example (but not exclusively):

(1) Changing the Status of the School from an academy.

(2) Changing the status of the school from a Church of England School.

(3) Changing the status of the School from co-educational.

(4) Closing the School.

(5) Changing the name of the School.

(6) Seeking to change the Funding Agreement.

(7) Changing the Standing Orders of the Governing Body.

(8) Appointing and dismissing 'Member appointed' governors except for the Bishop who is 'ex officio'.

(9) Determining the process by which staff governors are appointed.

b. **The Governing Body.** The Governing Body is responsible for the general running of the School. Its core tasks are to define the strategic vision for the school and then seek to monitor progress and standards. It establishes strategy and receives regular reports from the Headmaster, advises, sets targets, monitors progress and monitors standards; it also approves the Curriculum for the School. Heads of departments, both academic and pastoral, and other focus areas are invited to present to the Governing Body on aspects of their work and many Governors are linked with an area of responsibility and keep in touch with the staff members responsible for that area. Examples are: one Governor links up with the member of staff responsible for Special Educational Needs and Disabilities, others with the School Faculties. All policies are reviewed annually by governors, individual governors attend the many school events throughout the year and several governors visit to view the School at work each year and report their findings to the Governing Body. All short-listed applicants for Leadership Team positions are interviewed by Governors.

c. **Governing Body Meetings.** The Governing Body meets at least 5 times per year. Further meetings are rarely required because most of the detailed work is delegated to sub-committees which report at Governing Body meetings. Therefore, governors consider that further meetings should only be called if warranted.

d. **Sub-Committees.** Much governors' work is delegated to sub-committees which meet to give detailed consideration to issues, take decisions within their delegated responsibilities and report back to the Governing Body.

(1) **Evaluation Committee.** The Evaluation Committee meets annually to evaluate the performance of the Governing Body, to propose improvements if appropriate and to consider non-financial risk.

(2) **Finance, Audit and Risk Committee.** The Finance, Audit and Risk Committee was renamed on 1 September 2020 to include financial risk in its ambit. It is responsible for the School's financial management, budget strategy and receiving/ actioning financial system reports from the Internal Auditor and from the external auditors.

(3) **The Admissions, Property, Health and Safety Committee.** The Admissions Property, Health and Safety Committee has several roles:

- Responsibility within Government requirements for the policy governing all admissions to the School.
- Consideration of matters related to the premises and grounds.
- Health and safety of all who work at or attend or visit the School.

(4) **The Pay and Staffing Committee.** Governors are the employers of all staff at the School and the Pay and Staffing Committee is responsible for all matters of staffing, pay and conditions of service.

e. **Panels.** Governors sit on panels as required for discipline (pupil or staff), exclusion, redundancy, grievance, complaints (by parents) and appeals. These panels may be aided by professional representatives.

f. **Heads of Faculty Committee.** Governors are represented on the Heads of Faculty Committee for items concerning the Curriculum and the School's academic assessment and monitoring procedures.

g. **Audit.** The public fund accounts of the school are audited annually. To assist in the financial management of the School, the Governing Body has appointed the auditing firm Fawcetts LLP as the Internal Auditor to undertake regular reviews of all financial processes and procedures. The Internal Auditor provides review reports to the Finance and Audit Committee every term. (In conformance with revised guidance from DfE, a different firm has been appointed for 1st September 2020 onwards in order to separate the internal and external audit functions.

12. **Minutes.** All minutes, including those of sub-committees, are available for inspection on application to the Company Secretary. The Headmaster (who is a governor and the Accounting Officer), Deputy Headmaster and Bursar are involved in the work of all these committees and act in partnership with the Governors.

13. **Organisational Structure – School Staff.**

a. **Leadership Team.** The staff is led by the Headmaster, Deputy Headmaster and other senior staff who are the members of the Leadership Team. Their main roles during the period were as follows:

(1) Headmaster – overall responsibility with delegated powers for running the School including staff appointments (except for the Deputy Headmaster), financial contracts up to £75,000, subject options, exclusions up to 45 days per pupil per year and teaching standards. He is also the Accounting Officer.

(2) Deputy Headmaster – Curricular Director, staffing, oversight of examinations and day to day running of the School.

(3) Assistant Head – Continuous Professional Development (CPD), Performance Management & Appraisal, Initial Teacher Training.

(4) Assistant Head – Director of Assessment & ICT, timetable production.

(5) Director of Science, Newly Qualified Teacher (NQT) Induction Tutor, Designated Safeguarding Lead (DSL) (until 19 April 2020 when the post was

disestablished, the NQT role incorporated with the CPD role above and the DSL role to the Head of Sixth Form below).

(6) Head of Sixth Form, DSL (from 19 April 2020)

(7) Head of Lower School.

(8) Head of Middle School.

(9) Bursar – Budget & Finance, Estate, Health & Safety, HR, Professional Support Staff and Data Protection Officer.

In addition, Heads of Departments may be co-opted onto the Leadership Team and other staff attend when issues relevant to their roles are under discussion.

b. **Line Management.** The members of the Leadership Team are line managers for the Heads of Academic Departments.

c. **School Organisation.** The organisational divisions of the School reflect its academic and pastoral concerns:

(1) **Academic Organisation.** The School is divided into academic departments which are grouped (for the purposes of management and effective operation) into Faculty Groups. Heads of Departments lead and manage their departments; they are budget holders and are responsible for, amongst other things, establishing departmental aims and objectives consistent with overall School development plans, quality assurance, setting targets, monitoring standards, apportioning resources, acting as line managers to undertake appraisals for teaching and support staff and contributing to the professional development of colleagues.

(a) Heads of Academic Faculties meet as a body with the Headmaster once every term and the Head of each Faculty then leads the academic staff in their curriculum area in developmental meetings during the latter half of each term. The Head of every Academic Department meets the Headmaster individually for an academic review in September. Governors are represented at the Heads of Faculty Meetings.

(b) The Heads of Faculty meetings also consider the review of, and plans for, changes to the School curriculum, with recommendations submitted to the Headmaster.

(c) The Deputy Headmaster meets each Head of Department formally once a year in the Spring Term for planning purposes.

(2) **Pastoral Organisation.** The School is divided into three sections. During the period, the Lower School comprised Years 7-8, the Middle School comprised Years 9-11 and the Upper School was Years 12-13 (the Sixth Form). The Heads of Lower and Middle School (each with assistants) each work with a tutor team with whom they meet regularly. The role of the tutor is crucial because high academic standards and pupil welfare are seen as interlinked; hence most full-time members of staff act as tutors in which role they combine

the roles of pastoral carer and academic manager of the pupils in their care. Pupils in the Sixth Form are assigned an academic mentor and the Mentor Team meets regularly with the Head of Sixth Form. Supplementary pastoral support is provided by the Senior Tutor while the Special Educational Needs & Disabilities Co-ordinator ensures that any particular learning needs are considered and appropriate interventions made. Additionally, Sixth Form pupils mentor newly arrived pupils in Year 7. There is also a House System, which gives a vertical element to pastoral work as older pupils take on roles as House Prefects to work with boys in Years 7 and 8.

d. **Other Responsibilities.** Certain additional cross-curricular themes and whole school responsibilities fall to various members of teaching and support staff as follows: Timetabling, Collective Worship, Appraisal for teaching and support staff, Staff Development, Child Protection & Safeguarding, Special Educational Needs & Disabilities, Medical Conditions needs, Information and Communication Technology, Personal, Social and Health Education and Careers.

e. **Professional Support Staff.** The professional support staff comprise the following: the School Secretary; The Bursar, the Finance Manager and finance staff; admin officers and assistants; language college support assistant; assistants to the Heads of School; exams office staff; admissions' staff; School receptionists; site management team; departmental technicians for chemistry, biology, physics, art & design and design technology; ICT Network Manager and team; School catering team; cover supervisors, invigilators and the Company Secretary.

14. **Inspections.** The School is subject to periodic OfSTED inspections and was graded 'outstanding' in 2006. An OfSTED interim report in 2010 concluded that the School's performance had been sustained and that therefore the next full inspection could be deferred. This remains the current position under OfSTED's arrangements for the monitoring of schools identified as outstanding providers of education. Additionally, there is a periodic (circa every five years) Statutory Inspection of Anglican and Methodist Schools (SIAMS) where the inspector assesses the quality of education offered by the School as a church academy, the way in which RE and Collective Worship are delivered, the leadership and management of the School and also of the effectiveness and distinctiveness of the Academy as a church school. There was a SIAMS inspection during the 2017/18 period and the grading was outstanding in all four of the inspection categories.

15. **Arrangements for Setting Pay & Remuneration of Key Management Personnel.** Authority for remuneration is delegated to the Pay and Staffing Committee. This includes the Pay Policy and general pay rate increases.

a. **Governors and Members.** Governors and members are not remunerated except that their travel and other expenses may be reimbursed.

b. **Leadership Team.** The pay progression of the Leadership Team (LT) is assessed by the Pay and Staffing Committee which considers their performance reviews and other relevant comment by the Headmaster. The performance reviews include the performance and success criteria against objectives which are set at the

start of the year. Committee members will also have met LT members during the period.

c. **Headmaster.** The pay progression of the Headmaster is assessed by the Pay and Staffing Committee from his performance review. The Chair of Governors and one other governor formally review his performance with the advice and assistance of the headmaster of an unrelated school and the review takes note of the performance against objectives which are set at the start of the year and include success criteria. Committee members will also have met the Headmaster several times during the period.

16. **Trade Union Facility Time.** Reported in accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017:

a. **Relevant Union Officials.**

Number Of Employees Who Were Relevant Union Officials During The Period	Full-Time Equivalent Employee Number
1	Nil

b. **Percentage of Time Spent on Facility time.**

Percentage of Time	Number of employees
0- 0 99%	Nil
1% to 50%	0
51% to 99%	0
100%	0

c. **Percentage of Pay Bill Spent on Facility Time.**

Total Cost of Facility Time	Nil
Total Pay Bill	Nil
Percentage of Total Pay Bill Spent on Facility Time (total cost of facility time ÷ total pay bill) × 100	Nil

d. **Paid Trade Union Activities.**

Time spent on paid trade union activities as a percentage of total paid facility time hours (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	Nil

17. **Related Parties & Other Connected Charities and Organisations.** The School is not connected in a corporate sense with any other bodies but during the year did co-operate in Sixth Form teaching with South Wilts Grammar School for Girls. This co-

operation involved some subjects being taught at only one school, but being accessible to pupils from both, and some subjects being taught at both schools. The cost of teaching provision is assessed by each school annually and appropriate financial transfers are made.

OBJECTIVES AND ACTIVITIES

18. **Objects and Aims.** The objects and aims of the School are the on-going provision of the principal activities described in Paragraph 2. Additionally, subsidiary aims are to:

a. Advise and assist pupils with university entry.

b. Provision of careers education and guidance.

c. Provide a broad range of extra-curricular activities and to encourage participation by pupils.

d. Provide benefit for the local population where this does not hinder the prime aim.

e. Work with and support other local schools to enhance educational opportunity in the local area.

19. **Objectives, Strategies and Activities.** The prime objective for the year was the continuity of provision of outstanding education to pupils with limited Government funding. The main strategy for achieving this was the continued increase in pupil numbers: an additional 32 pupil form was commenced at Year 7 in September 2017 and this increase is now working up through the year groups. In order to increase Sixth Form numbers and to provide a more balanced upper school community, girls are to be admitted into the Sixth Form from September 2020. Planning for this has been ongoing. Additionally, there has been continued action to improve donations and other income, in particular by maintaining and expanding the School Foundation. Finally, the Covid 19 pandemic has proved extremely challenging for pupils and staff. The School was closed for face to face lessons as required by the Government in March and since then teaching has continued remotely initially via the Insight system which provided a platform for the posting of work, together with subsequent marking and feedback. However, Insight has no interactive element, so that 'live' teaching was not possible, although teachers recorded video lessons that were then posted on the School YouTube channel. To provide live lessons, all teaching was migrated to Microsoft Teams by June and this has proved to be very successful. Additionally, in the last six weeks of the Summer term face to face contact with each subject specialist was arranged for all pupils in years 10 and 12 because they were the nearest to public examinations in 2021.

20. **Public Benefit.** In setting objectives and planning activities, the Governing Body has given due regard to the guidance on public benefit published by the Charity Commission. Public benefit is achieved by providing education in accordance with the Principal Activities at Paragraph 2, by promoting social mobility and by providing language classes, sports hall facilities and other activities to local residents and clubs (until the School was closed due to the Covid 19 pandemic). More detail is provided in Paragraph 23.

STRATEGIC REPORT – ACHIEVEMENTS AND PERFORMANCE

21. **Educational Performance.** GCSE and 'A' Level results were based on Centre Assessed Grades (CAGs) submitted by the School: 4% of the A Level CAGs were raised by at least one grade by the Ofqual algorithm and so remained higher than expected. As we had quite rigorously followed the guidance for generating the CAGs in both cases the final GCSE results were only slightly higher than in previous years. A Level grades showed a much bigger increase compared with last years. There will be no DfE performance tables published this year and therefore the data below are based solely on in-house calculations.

a. **GCSE.** The Year Group was 125 although one pupil was only entered for two GCSEs (Maths and English Language) as he attended the hospital school). 75.0% of the grades were at 9-7 (an increase from 71.2% in the previous year) and 33 pupils (26.4%) passed all of their GCSEs at 9-7 (a slight increase from 21.8% in the previous year). All pupils gained at least 5 good (i.e. 9-4) GCSEs including Maths and English and 99.2% gained at least 5 GCSEs at grade 9-7 (a significant increase from 83.9% in the previous year). EBacc entries and pass rates remain depressed due to the numbers taking History iGCSE which is not an accredited DfE course (only 66 out of 125pupils counted in the calculations this year, compared to 76 out of 124 last year). 52% passed their English Baccalaureate with a 'strong' pass' (5 or greater in English and Maths, previous year 53%). The School Average EBacc point score was 6.97 (7.03 last year) reflecting the overall better performance despite fewer pupils being included. Only one pupil did not sit a modern foreign language GCSE.

b. **A Level.** The Year Group was 121. 83.9% of grades were at A*-B and 27.2% at A*: both significant increases from 72.9% and 21.1% in the previous year, respectively. All but 1 pupil achieved three or more passes (A*-E) and 70.2% achieved three or more passes at B or above (57.5% last year). 11 pupils achieved A* in all their A Levels (the same as last year, with 4 achieving 4 A* grades) and a further 29 achieved at least 3 A Levels at A* or A.

c. **University Entry.** 100 out of 133 (75%) of boys secured their first choice of university and the university entry breakdown was as follows:

Oxbridge	8
Other Russell Group	63
Other Universities	62

These numbers include university re-applicants from previous years.

d. **Gap Year.** As usual, a number of boys chose to take a gap year in 2020-21 and many of those will apply for university entry for September 2021.

e. **Extra-curricular.** The School offers a wide variety of sports and competes against other schools. Apart from the usual sports and extra-curricular activities, there were, until Covid lockdown, classes or clubs for fencing, sailing, computer coding, cooking for years 7 and 12 and the School also organised a range of outdoor activities. However, this year all was cancelled due to Covid 19 as follows:

(1) **Duke of Edinburgh's Award Scheme.** All expeditions were cancelled but adapted expeditions with no overnight camps have been rescheduled for all three awards with completion planned by 31 October 2020.

(2) **Ten Tors Event.** Cancelled.

(3) **Pencelli.** The annual week of residential outdoor activities at Pencelli, South Wales for Year 9 was cancelled.

(4) **Ski Trip.** The Year 10 ski trip was cancelled.

(5) **Great Yews.** The traditional Year 7 camp at Great Yews on the Longford Estate in July was cancelled.

(6) **Future Plans.** No residential course are currently anticipated but a Year 7 team building day trip is planned and also a Year 8 hike is planned in conjunction with Longford Estate team to include talks from the estate manager and gamekeeper.

22. **Investment Performance.** During the year funds were invested in the CCLA CBF Church of England Fund which had a total return of 5.2%. Dividends were maintained though capital growth, in line with the global economic challenges of the coronavirus pandemic, was small.

23. **Provision of Local Facilities.** During the year the following facilities were provided on repayment until Covid 19 closure:

a. **Sports Hall.** Access by clubs and individuals to the Sports Hall including the Fitness Suite.

b. **Language Classes.** Evening classes in: Italian, French, Spanish, German and Russian. Some continued during the lockdown under remote arrangements.

c. **Easter 'A' Level Revision.** The Classes for external and internal pupils were cancelled.

d. **Eleven Plus Familiarisation and Key Stage 2 Booster Classes.** Parents on state benefits are eligible for free or subsidised places in order to promote social mobility. No Booster classes were held and Eleven Plus familiarisation were run for two terms only.

24. **Key Performance Indicators.**

a. **Indicator 1 – GCSE Performance.** That the results are equal to or better than the following:

(1) 72% of all grades 7 or above. Outcome: exceeded at 75.0%.

(2) 95% of all grades at 5 or above. Outcome: exceeded at 98.8%.

b. **Indicator 2 – 'A' Level Performance.** That the results are equal to or better than the following:

(1) 72% of all grades A* to B. Outcome: exceeded at 83.9%.

(2) 100% of all boys awarded 3 or more 'A' levels. Outcome: met at 100%.

c. **Indicator 3 – Ofsted Grading.** That the Ofsted grading is 'outstanding'. Outcome: there has been no inspection in the period and therefore the grading remains 'outstanding'.

d. **Indicator 4 – Teaching Staff.** Spend on teaching staff as a percentage of total expenditure. Outcome: 55%.

e. **Indicator 5 – Teaching Resources.** Spend on teaching resources as a percentage of total expenditure. Outcome: 3.0%.

f. **Indicator 6 – Administrative and Clerical Staff.** Spend on administrative and clerical staff as a percentage of total expenditure. Outcome: 8.9%.

g. **Indicator 7 – Premises Costs.** Spend on premises (including staff costs) as a percentage of total expenditure. Outcome: 4.6%.

Indicators 4-7 are financial indicators new to this period. As a pattern is built up in future years, Governors will be able to identify trends year on year and will be able to draw on publicly held comparative data from similar schools.

25. **IT Support.** In preparing this Report, the School has faced a particular challenge in that one of the IT servers suffered an irrecoverable failure in September 2020, just a few days after the end of the subject period. A firm of data recovery specialists was hired to recover as much as possible with some success but after 4 weeks of investigation, it was clear that though all pupil, staff and educational data had been saved with one of two exceptions, the financial data for the year had been lost. It also became evident that the back-up procedures had not been correctly followed. These matters are explored in more detail in relevant sections later in this Report.

26. **Going Concern.** After making appropriate enquiries, the Governing Body has a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. The Governing Body considered the effect of the Covid 19 Pandemic and expects that the financial effects will be limited to a reduction of income from: language classes, sports hall facilities and other activities for the local population; from investments and also possibly from a reduction in future grants for the improvement of the School estate. Therefore, the Governing Body continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

FINANCIAL REVIEW

27. Following the loss of financial data explained in Paragraph 25, the School employed a firm of bookkeepers on a 3-month programme to help reconstruct the accounts from all available sources, including bank feeds, paper records and emails. The value of all transactions could be reconstituted but the detailed purpose and authorisation for every item of expenditure could not be within the time and resources available. The Statement of Accounts and Auditors' Report, which commences at Page 27 and complies with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2019), has been constructed on that basis.

28. **Income.** The main incoming resources were from Government educational funding which, before capital grants, totalled (previous year in brackets) £4770k (£4,283k). Income from Other Trading Activities was £629k (£619k) which included Catering Income of £164k (£273k) (gross, with a similar figure for catering expenditure and catering staff costs) and Facilities Hire at £130k (£90k). Income from Donations and Private Sources was £130k (£80k). The Total Income in the current year was £506k more than for the previous year. It should be noted that the Educational Supplies & Services income of £27k in Note 4 has corresponding expenditure under other headings in Note 7 as has the Visits and Trip income of £294k and that both are also included in the Other Trading Activities total above.

29. **Expenditure.** All expenditure was to support the provision of educational activities. The main expenditure was on staff remuneration and costs at £4,176k (£3,782k). Other significant expenditure was £416k (£416k) on Depreciation; £91k (£176k) on Educational Supplies and Consumables, £119k (£140k) on Maintenance of Premises and Equipment; £106k (£122k) net of income on Examination Fees; £79k (£89k) on Cleaning and £89k (£87k) on Energy.

30. **Excess of Income.** Before depreciation and pension liability adjustments, income exceeded expenditure by £28k which represents 0.5% of turnover.

31. **Tangible Fixed Assets.** The value of the owned and leased land and buildings at £15.453M represents most of the total of Tangible Fixed Assets. This value is an insurance value only and the land and building may not be sold. Computer equipment, fixtures, fittings, other equipment and motor vehicles have a total value of £95k (£104k).

32. **Reserves.** About 80% of the Academy's income is disbursed by the Government in 12 instalments through the year on the first banking day of each month. Governors consider that an interruption to this income stream is very unlikely and that therefore no more than a reserve of one month of this income is appropriate. The remaining income (largely catering, lettings and voluntary donations) can fluctuate, and has reduced due to the Covid 19 pandemic, and therefore a reserve of 3 months' income for these items is considered appropriate. The result is a target reserve of £600k, split between free reserves and CBF investments, and this target was achieved in the period, the accumulated reserves being £957k (£863k). Governors acknowledge that reserves may be adversely affected if Government funding for necessary improvements to the School site is reduced or if investment or donation income reduces.

33. **Investments.** Governors have the power to make investments. The investment policy is that any significant accumulation of funds be invested in the CCLA Investment Fund, a low risk income share account. Total holdings at year end were £939k (£471k). Given the limited scope for investment, it is not material for social, environmental or ethical considerations to be taken into account.

34. **Pension Liabilities.** The pension liability to the Local Government Pension Scheme was re-assessed by projecting the last actuarial valuation (for FRS 102 purposes) to 31 August 2020, which increased the deficit to £1,154k (£988k).

PRINCIPAL RISKS AND UNCERTAINTIES

35. **Risk Management.** The objective and policy of risk management is to identify risks, score them in likelihood and severity and to take management action to mitigate risk but concentrating on those with high scores. Governors maintain a risk register under the following main headings: Strategic, Infrastructure, Governance, Staffing, Pupils and Financial. A non-linear matrix of risk likelihood versus severity is maintained to score risks, with current risk management and any further action required noted against each risk. The Register is reviewed annually and appropriate action taken if any new or increased risks are identified. In the opinion of the Governors, the School has established systems that, under normal circumstances, would allow the risks identified by them to be mitigated to an acceptable level in day-to-day operations. Main areas considered and management mitigation are as follows:

a. **Deficit.** The Company runs into deficit (excluding pension liabilities). This risk has continued to increase because of lack of protection for Government funding per pupil in the Sixth Form, the uncertainty of any inflation increase and the introduction of other post 16 education facilities in Salisbury. Mitigation: The Finance, Audit and Risk Committee, working with the Headmaster and Bursar, have continued to develop the medium term financial forecast over 3 years. The new initiative to admit girls from September 2020 into the Sixth Form will raise numbers and therefore income. Additionally, work continues to develop sources of additional income and to make cost savings where possible as described above at Paragraph 19.

b. **Support Staff Pension Liabilities.** Support staff pension liabilities become unsustainable possibly because of near zero or negative interest rates due to Bank of England action to counter a severe depression. Mitigation: review annually and increase contribution rate as recommended by the Actuary and agreed by Wiltshire Council pension managers but noting that the Government has stated that any deficit would be met if the School closed.

c. **Teaching Staff Pension Contributions.** Teaching staff pension contribution become unsustainable possibly because of near zero or negative interest rates due to Bank of England action to counter a severe depression. Mitigation: maintain reserves and lobby Government.

d. **Additional Staffing Liabilities.** Increased in-year liabilities due to staffing issues: maternity, long term illness, tribunals and redundancy. Mitigation: build annual contingency into budget and accumulate unused contingency in-year to a reserve.

e. **Finance Skills/Misuse of Funds.** Financial controls and/or financial staff training may not be robust enough to identify possible problems. Mitigation: a firm of chartered accountants has been appointed to provide an internal audit service to conduct a running monthly review of systems and account entries. All internal audit comments, together with any comments from the annual audit are considered and actioned as appropriate by the Finance, Audit and Risk Committee which reports any issues to the Governing Body.

f. **Other Financial Risks.** Financial risks, including credit, cash flow and liquidity risks, are considered minimal and are therefore not material for an assessment of the Academy's position.

g. **Loss of Use of Bishopgate Site.** The School has limited security of tenure (5 year rolling lease) but the site provides space for classrooms and some offices which it would be difficult to replace elsewhere because the main site is already very crowded. Mitigation: noting that the likelihood of losing the site is very low, seek to obtain ownership.

h. **Major Disaster.** Fire, explosion, flooding, vandalism/ burglary. Mitigation: policies and practices to minimise risk and the Major Incident Plan.

i. **Pandemic.** The School's response to the Covid 19 pandemic has demonstrated that teaching can continue during a lockdown albeit only mainly remotely and that mitigation by 'hot planning' is successful.

j. **Major Failure in Governance.** Mitigation: robust internal management/ monitoring systems, third party insurance, appropriate training and annual review of policies and procedures.

k. **Staffing Issues.** Mitigation: recruitment procedures, robust performance management, staff briefing and social events, involvement of staff in staff policies.

l. **Pupil Issues.** Mitigation: pastoral care and mentoring systems, external academic monitoring, trip risk management, child protection and safeguarding procedures.

36. **Review of Risk.** In light of the IT failure outlined in Paragraph 25, Governors have committed themselves to a fundamental review of how risk is to be managed in the future. This review will cover all areas, not just the IT challenges already noted. They have also instigated a significant strand of work to identify the most appropriate business architecture for the School's IT support. This is covering manpower, hardware, systems, procedures (e.g. back-ups), training and overall resourcing. Options for external consultancy and/or out-sourcing are also being explored.

FUNDRAISING

37. Funds are mainly raised from the two sources below:

a. **Parents.** Parents are invited to donate to the School (via Gift Aid to a separately managed charitable trust) and also towards the cost of trips, clubs and public examinations. Additionally, the Parents Association raises funds for the benefit of the School.

b. **Former Pupils.** The Bishop Wordsworth's School Foundation has been set up as a separate charitable entity with the aim of raising additional funds for the School, providing links for career enablement for school leavers and providing grants to current and prospective pupils from disadvantaged backgrounds. Various social and educational events are held during the year for fee paying access by old Wordsworthians and their guests.

38. Professional fundraisers are not employed.

39. The Governors consider that there is no undue pressure to donate, particularly on vulnerable people. The only complaints are from some parents or members of the public who consider that state schools should be entirely publicly funded with no requirement to raise additional funds.

PLANS FOR FUTURE PERIODS

40. The main aims and key objectives for the next three years are below, all subject to continued effects of the pandemic.

a. To balance income and expenditure by continuing to decrease expenditure and developing initiatives, particularly the Foundation, in order to generate additional income including the pupil increases noted below.

b. To increase the number of pupils to 160 year by year for each year group in the Lower and Middle School by the addition of a fifth tutor group. This increase started at Year 7 in September 2017.

c. To increase the numbers in the Sixth Form by admitting girls from September 2020. This should enable an increase the range of subjects that can be taught, improve the social and academic ethos of the Sixth Form, give more flexibility for timetabling, provide a Sixth Form for girls in Salisbury with a Christian ethos and bring in additional finance which will balance Sixth Form net expenditure better with that of the rest of the School.

d. To drive up academic standards, quality of teaching and quality of outcomes for all pupils.

e. To encourage more social mobility through the use of appropriate strategies to attract boys who are disadvantaged by their backgrounds.

f. To use Academy Status as a platform for developing excellence and working within funding available with other primary and secondary schools to enhance educational quality in the region.

g. Further development of work with other schools in the areas of Continuous Professional Development and Initial Teacher Training.

h. Further development of links with Higher Education, local community and business, and a broad range of other activities to utilise better the School's facilities during out-of-hours periods.

i. To expand extra-curricular activities on a manageable, sustainable & affordable basis, encourage staff involvement and establish a national reputation for the School in extra-curricular provision.

j. To continue to improve the School site.

k. To continue to improve the quality of support and challenge for Middle School and Sixth Form pupils through mentoring and target setting in order to improve standards and results and so improve access to the most competitive institutions of higher education.

l. To improve the robustness of the School's IT support infrastructure.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

41. The School does not act as a custodian trustee.

AUDITOR

42. In so far as the Governors are aware:

a. There is no relevant audit information of which the Charitable Company's Auditor is unaware.

b. The Governors 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.

43. It is expected that the Auditors will be reappointed by the Members for the year to 31st August 2021.

APPROVAL

44. This Governors' Report, incorporating a strategic report, was approved by order of the Board of Governors, as Trustees and the Company Directors, on 27th January 2021 and signed on the board's behalf by:

Mrs J Ranaboldo
Chair of Governing Body and Academy Trust
28th January 2021

Bishop Wordsworth's Church of England Grammar School

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

45. As Governors, we acknowledge we have overall responsibility for ensuring that Bishop Wordsworth's School 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. Additionally, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governors.

46. The Governing Body has delegated the day-to-day responsibility to the Headmaster, as Accounting Officer, for ensuring that the financial controls conform with the requirements of propriety, good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement with the Secretary of State for Education. He is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

GOVERNANCE

47. The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors normally meets five times each year and retains oversight of funds via the Finance, Audit and Risk Committee and by managements reports that are sent every other month to all governors. In this period the March meeting was cancelled due to the Covid 19 lockdown but the Meeting Papers were circulated for comment. Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings Attended	Out of a Possible
Miss M J Horsburgh (Chair)	4	4
Prof A J Bell	0	4
Mr J R B Blake	2	4
Brig R A P Cary	1	1
Dr G Branagan	4	4
Mr M Francis-Pollin	2	4
Mr K G M Flynn	4	4
Dr S Ghauri	2	4
Dr V Green	2	2
Mrs R Harwood Lincoln	4	4
Mr J Hastings	4	4
Mrs S Hayward	4	4
Mr J Oldham	4	4
Canon E Probert	2	4
Mrs J Ranaboldo	4	4
Dr S D Smallwood	4	4
Mr A E Willis	3	3

48. **Key Governor Changes.** Mr Willis was appointed as the representative of the Bishop (a corporate Member).

49. **Significant Challenges.** The main challenge has been converting to teaching by video conference due to the Covid 19 pandemic which was phased by year group and completed at the end of June and then planning for September reopening. Other work has centred around continuing to prepare the School's physical and staff structures for the year by year increase in numbers due to the Year 7 intake increase to 160 from September 2017; final planning for the admission of girls into the Sixth Form in September 2020 and also in assuring financial viability due to very tight funding per pupil over several years while retaining the quality and ethos of the School.

50. **Performance of Governing Body.** Governors had planned to conduct a self-evaluation exercise during their May meeting. However, that was the first meeting in lock down and was held as a video conference and was primarily concerned with Covid 19 and lockdown action. Therefore, the self-evaluation was postponed until May 2021.

51. **Quality of Data.** Governors consider mainly the following data: exam results, university entries, attendance, disciplinary report, Headmaster's reports, subcommittee reports, link governor reports, staff turnover, SEN report, departmental reviews, sports results, Duke of Edinburgh awards, Child Protection & Safeguarding reports and Wiltshire Council audit, internal audit, annual audit, finance reports, performance indicators, catering report, school improvement plan, strategic plan and BASS (Boys Academic State Schools) reports. This is mainly first order data and therefore governors find it acceptable.

52. **Finance, Audit and Risk Committee.** The Finance, Audit and Risk Committee is a sub-committee of the main Governing Body. Its purpose is to oversee all aspects of public finance including receiving reports from the auditors. During the year Mrs Harwood Lincoln and Brig Cary joined the Committee. The main issues were to construct a budget with very tight funding for the 2019/20 year, to monitor expenditure against budget during the year, to consider requests for out of budget expenditure and to consider recommendations by the Internal Auditor and implement them as appropriate. One meeting was cancelled due to the Covid 19 pandemic, although the meeting papers were circulated for comment, and the last meeting was by video conference. Attendance was as follows:

Governor	Meetings Attended	Out of a Possible
Dr G W Branagan	2	2
Mr J R B Blake	2	2
Brig R A P Cary	0	0
Mr K G M Flynn	2	2
Dr Ghauri	2	2
Mrs R Harwood Lincoln	1	1
Mr J M Oldham	1	2
Dr S D Smallwood	2	2

REVIEW OF VALUE FOR MONEY

53. As Accounting Officer, the Headmaster has responsibility for ensuring that the School delivers good value in the use of public resources. He understands that value for money

refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

54. The Headmaster considers how the School's use of its resources has provided good value for money during each academic year and reports to the Governors where value for money can be improved, including the use of benchmarking data where appropriate. The Headmaster has delivered improved value for money during the year as listed below, although the Covid 19 pandemic lockdown limited achievements in sub-paragraphs c, d and e.

a. Continuing to provide a high standard of education, despite Covid 19 lockdown, with a high percentage of pupils achieving excellent exam results and going on to university: see Paragraph 21.

b. Increasing pupil numbers: see Subparagraphs 40.b and c.

c. Maintaining extra-curricular activities available as listed at Subparagraph 21.e.

d. Continuing to provide local facilities as listed at Paragraph 23.

e. Working with and assisting local schools.

INTERNAL CONTROL AND RISK

55. **The Purpose of the System of Internal Control.** The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of School 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 Bishop Wordsworth's School for the period from 1 September 2019 to 31 August 2020 and up to the date of approval of this Annual Report and Financial Statements.

56. **Capacity to Handle Risk.** As explained in Paragraph 36, Governors have committed themselves to a fundamental review of how risk is to be managed in the future. This will enhance current measures such as allocating owners to each risk from the governing body and leadership team and developing revised processes to ensure that key risks are brought to the attention of the full governing body at the appropriate junction.

57. **The Risk and Control Framework.** The Academy Trust's system of internal financial control is based on a framework of regular management information, most importantly reports from the Bursar and Internal Auditor, and also administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

a. Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body.

b. Regular reviews by the Finance and Audit Committee of reports that indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.

c. Settings targets to measure financial and other performance.

d. Clearly defined purchasing (asset purchase or capital investment) guidelines.

e. Delegation of authority and segregation of duties.

f. Identification and management of risks.

58. **Internal Audit.** The Governing Body considered the need for a specific internal audit function and appointed the auditors, Fawcetts LLP, to provide a suitably qualified employee as Internal Auditor. The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the School's financial systems. The role and audit plan are in accordance with the recommendations in the Academies Financial issued by the Department for Education. In particular the checks carried out in the period included testing/ reviewing:

a. That the mandatory requirements of the Academies Financial Handbook were in place.

b. That bank reconciliations were being prepared accurately, on a timely basis and were reviewed by someone independent to the bank reconciliation preparation.

c. Credit control: a review of aged creditors to ensure suppliers were being paid on a timely basis and that there were explanations to support any long-term outstanding invoices.

d. Aged debtors to ensure outstanding balances were recoverable and that there were explanations to support any long-term outstanding debts.

e. A review of School trips' procedures and following a sample of transactions to finality.

f. That the duties and controls were appropriately segregated.

g. That online bank account and catering income was accounted for correctly.

h. The Civica end of period posting dates.

i. The aged purchase ledger report.

The Internal Auditor reports to the Finance, Audit and Risk Committee at least termly on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The Chair of the Finance, Audit and Risk Committee reports any material issues identified to the Governing Body. The Internal Auditor also reports annually to the Committee a summary report outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider actions and assess year on year progress. The planned schedule of internal audit work was delivered as planned although the spring internal audit was completed remotely due to Covid 19 lockdown and there were no material, control or other issues reported by the Internal Auditor in the period. Weaknesses identified were considered and appropriate action taken to improve the financial system.

59. **Review of Effectiveness.** As Accounting Officer, the Headmaster has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

a. The work of the Internal Auditor which has also been considered by the Finance and Audit Committee

b. The work of the external auditor.

c. The financial management and governance self-assessment process although this was limited in the period due to the Covid 19 pandemic.

d. The work of the executive managers within the School who have responsibility for the development and maintenance of the internal control framework.

60. **Post System Review Action.** The Accounting Officer has been advised of the implications of the result of the review of the system of internal control by the Internal Auditor on behalf of the Finance and Audit Committee and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

APPROVAL

Approved by order of the Governing Body on 27th January 2021 and signed on its behalf by:

Mrs J Ranaboldo
Chair of Governing Body and Academy Trust
28th January 2021

Dr S D Smallwood
Accounting Officer
28th January 2021

Bishop Wordsworth's Church of England Grammar School

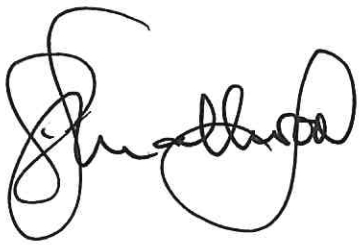
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

61. As Accounting Officer of the Academy Trust I have considered my responsibility to notify the Academy Trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the Funding Agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

62. I confirm that I and the Academy Trust Governing Body are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's Funding Agreement and the Academies Financial Handbook 2019.

63. To this end, I report that in September 2020, just a few days after the end of this accounting period, one of the School's IT servers suffered an irrecoverable failure. It subsequently emerged that back-up procedures had not been correctly followed and the financial data for the year was lost. The accounts have been reconstructed as far as reasonably possible and are presented herewith. I am confident that the value of transactions has been accurately presented from the reconstruction though the detailed purpose and authorisation for every item could not be verified.

64. Other than that stated in the preceding paragraph, I confirm that no further instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any such instances are identified after the date of this statement, these will be notified to the Governing Body and the EFSA.



Dr S D Smallwood
Accounting Officer
28th January 2021

STATEMENT OF GOVERNORS' RESPONSIBILITIES

65. The Governors (who are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' Report and the Financial Statements in accordance with the Annual Accounts Direction issued by the Educational and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

66. Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 governors are required to:

a. Select suitable accounting policies and then apply them consistently.

b. Observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

c. Make judgements and estimates that are reasonable and prudent.

d. State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statement.

e. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

67. The Governors 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.

68. The Governors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls which conform to 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.

69. The Governors 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.

APPROVAL

70. Approved by order of the Governing Body on 27th January 2021 and signed on its behalf by:

Mrs J Ranaboldo
Chair of Governing Body and Academy Trust
28th January 2021

INDEPENDENT AUDITOR'S REPORTS TO THE MEMBERS OF BISHOP WORDSWORTH'S CHURCH OF ENGLAND GRAMMAR SCHOOL ON THE FINANCIAL STATEMENTS AND ON REGULARITY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BISHOP WORDSWORTH'S SCHOOL ACADEMY

Qualified opinion

We have audited the financial statements of Bishop Wordsworth's Church of England Grammar School (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

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

Basis for qualified opinion

In September 2020 an IT failure caused the loss of all financial data for the year ended 31 August 2020. Although the core financial data was subsequently reconstructed from bank records, some supporting information and the majority of the records evidencing that transactions had been authorised could not be recovered. As a result we were unable to obtain all of the information that we considered necessary for the purposes of our audit of transactions during the year and we were unable to determine that appropriate accounting records had been kept. The reconstructed records have given us reasonable evidence that the financial position of the Academy as at 31 August 2020 is not materially misstated, however we have been unable to obtain sufficient assurance regarding the correct allocation of some income and expenditure within the statement of financial activities.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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 governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust'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.

Other information

The governors are responsible for the other information. The other information comprises the information included in the governors' annual report, other than the financial statements and our auditor's report thereon. Other information includes the governors' report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's 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.

Opinions 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 governors' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

Except for the matter described in the basis for qualified opinion section of our report, in the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

Arising solely from the limitation on the scope of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purposes of our audit; and

- we were unable to determine whether adequate accounting records have been kept.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BISHOP WORDSWORTH'S SCHOOL ACADEMY

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:

- 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 directors' remuneration specified by law are not made; or

Responsibilities of governors

As explained more fully in the governors' responsibilities statement set out on page 25, the governors (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors 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 governors are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Simon Ellingham BA FCA DChA (Senior Statutory Auditor)
For and on behalf of Fawcetts LLP
Chartered Accountants and Statutory Auditors
Windover House
St Ann Street
Salisbury
SP1 2DR

Dated: 28 January 2021

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BISHOP WORDWORTH'S SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 23 September 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bishop Wordsworth's Academy during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Bishop Wordsworth's Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Bishop Wordsworth's Academy 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 Bishop Wordsworth's Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Bishop Wordsworth's Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Bishop Wordsworth's Academy's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BISHOP WORDWORTH'S SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

The work undertaken to draw our conclusions includes:

- consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance.
- analytical procedures on the general activities of the academy trust;
- a review of minutes of committees and board meetings which may be relevant to regularity;
- consideration of discussions with key personnel including the accounting officer and governing body;
- tests of control have been carried out on a control activity which are relevant to regularity; substantive testing of individual transactions

Conclusion

In the course of our work, except for the matter listed below nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Matter:

In September 2020 an IT failure caused the loss of all financial data for the year ended 31 August 2020 as the back-up procedures had not been correctly followed. The core accounting records were reconstructed from bank records, but the information recording the purpose and authorisation of transactions was lost. The work we have carried out has not indicated any specific instances of expenditure being disbursed or income received which has not been applied for the purposes intended, however due to the loss of supporting information we have been unable to verify all transactions.

Simon Ellingham BA FCA DChA (Reporting Accountant)
For and on behalf of Fawcetts LLP
Chartered Accountants and Statutory Auditors
Windover House
St Ann Street
Salisbury
SP1 2DR

Dated: 12 January 2021

ACCOUNTS OF
BISHOP WORDSWORTH'S
CHURCH OF ENGLAND GRAMMAR SCHOOL

FOR THE PERIOD

1 SEPTEMBER 2019 TO 31 AUGUST 2020

Bishop Wordsworth's Church of England Grammar School

Statement of Financial Activities
for the year ended 31 August 2020
(including the Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Fixed Asset Funds £	Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and capital grants	2	130,420	-	21,595	152,015	153,621
Charitable activities:						
Funding for the academy trust's educational operations	3	40,365	4,729,694	-	4,770,059	4,283,210
Other trading activities	4	427,972	200,986	-	628,958	619,079
Investments	5	21,833	-	-	21,833	10,512
Total		620,590	4,930,680	21,595	5,572,865	5,066,422
Expenditure on:						
Charitable activities:						
Academy trust educational operations	6 & 7	280,144	5,242,816	438,482	5,961,442	5,494,140
Total		280,144	5,242,816	438,482	5,961,442	5,494,140
Net gains/(losses) on investments	12	17,612	-	-	17,612	32,226
Net income / (expenditure)		358,058	(312,136)	(416,887)	(370,965)	(395,492)
Transfers between funds	16	(91,016)	-	91,016	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	23	-	(26,000)	-	(26,000)	(393,000)
Net movement in funds		267,042	(338,136)	(325,871)	(396,965)	(788,492)
Reconciliation of funds						
Total funds brought forward		498,929	(624,420)	15,874,645	15,749,154	16,537,646
Total funds carried forward		765,971	(962,556)	15,548,774	15,352,189	15,749,154

Bishop Wordsworth's Church of England Grammar School

Balance Sheet
as at 31 August 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	11		15,548,189		15,873,024
Investments	12		938,766		471,154
Current assets					
Debtors	13	68,607		46,229	
Cash at bank and in hand		215,155		590,563	
		283,762		636,792	
Liabilities					
Creditors: Amounts falling due within one year	14	(264,528)		(243,816)	
Net current assets			19,234		392,976
Total assets less current liabilities			16,506,189		16,737,154
Creditors: Amounts falling due after more than one year	15		-		-
Net assets excluding pension liability			16,506,189		16,737,154
Defined benefit pension scheme liability	23		(1,154,000)		(988,000)
Total assets			15,352,189		15,749,154
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	16	15,548,774		15,874,645	
Restricted income fund	16	191,444		363,580	
Pension reserve	16	(1,154,000)		(988,000)	
Total restricted funds			14,586,218		15,250,225
Unrestricted income funds	16		765,971		498,929
Total funds			15,352,189		15,749,154

The financial statements were approved by the trustees, and authorised for issue on 27 January 2021 and are signed on their behalf by:

J Ranaboldo

Mrs J Ranaboldo
Chair of Governing Body and Academy Trust

Company Number: 7525856

Bishop Wordsworth's Church of England Grammar School

Statement of Cash Flows
for the year ended 31 August 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	a	125,122	5,030
Cash flows from investing activities:			
Interest from investments		21,833	10,512
Proceeds from sale of tangible assets and investments		50,000	1,500
Purchase of property, other fixed assets and investments		(591,016)	(22,139)
Capital grants received		21,595	73,621
Net cash provided by/(used in) investing activities		(497,588)	63,494
Cash flows from financing activities:			
Repayments of borrowing		(2,942)	(5,885)
Net cash provided by/(used in) financing activities		(2,942)	(5,885)
Change in cash and cash equivalents for the year		(375,408)	62,639
Cash and cash equivalents brought forward	b	590,563	527,924
Cash and cash equivalents carried forward at 31 August	b	**215,155**	**590,563**

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

	2020 £	2019 £
Net income/(expenditure) for the year as per the Statement of Financial Activities	(370,965)	(395,492)
Adjusted for:		
Capital grants and similar income	(21,595)	(73,621)
Depreciation charges	415,851	416,211
Loss on disposal of tangible assets	-	609
Interest from investments	(21,833)	(10,512)
Gains/(losses) on investments	(17,612)	(32,226)
Defined benefit pension costs less contributions payable	121,000	65,000
Defined benefit pension finance costs/(income)	19,000	15,000
(Increase)/decrease in debtors	(22,378)	37,393
Increase/(decrease) in creditors	23,654	(17,332)
Net cash provided by/(used in) operating activities	125,122	5,030

b) Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	215,155	590,563

Bishop Wordsworth's Church of England Grammar School

Notes to the Financial Statements for the year ended 31 August 2020

1 Statement of Accounting Policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below:

1.1 Basis of Preparation

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

Bishop Wordsworth's Church of England Grammar School meets the definition of a public benefit entity under FRS 102.

1.2 Going Concern

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions (including the impact of the coronavirus pandemic) that may cast significant doubt on the ability of the academy to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

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

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Government grants and COVID-19

The Academy has received support from the UK Government as part of a package of measures introduced to support businesses during the coronavirus pandemic. Government grants are recognised in the financial statements in the period in which they become receivable.

1.3 Income (continued)

Capital grants are recognised when there is entitlement 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. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations

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

Other Income

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Charitable Activities

These are costs incurred on the academy's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible Fixed Assets

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

1.5 Tangible Fixed Assets (continued)

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

Land and buildings	2% straight line/over the term of the lease
Computer equipment	20% straight line
Fixtures, fittings & equipment	15% straight line
Motor vehicles	25% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

1.6 Investments

Investment funds are initially measured at cost and subsequently revalued at the year end to market value. Realised and unrealised gains/(losses) are included within net income/(expenditure) for the year on the SoFA.

1.7 Liabilities

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

1.8 Leased Assets

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

1.9 Financial Instruments

The academy 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:

Trade and other debtors excluding prepayments are measured at amortised cost.
Cash at bank is measured at face value.
Trade creditors, accruals and other creditors are measured at amortised cost.

1.10 Taxation

The academy 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.

1.11 Pensions Benefits

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

1.11 Pensions Benefits (continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.12 Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency.

1.13 Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 15% of the allocation towards its own administration costs and that is recognised in the statement of financial activities, however the academy chooses not to. The balance of the funds are disclosed in note 22.

2 Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Capital grants	-	21,595	21,595	73,621
Donations	130,420	-	130,420	80,000
	130,420	21,595	152,015	153,621
2019 total	*80,000*	*73,621*	*153,621*	

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
DfE / EFA grants				
General Annual Grant (GAG)	-	4,386,523	4,386,523	4,153,467
Other DfE/EFA grants	-	276,365	276,365	63,465
	-	4,662,888	4,662,888	4,216,932
Other grants				
Local authority grants	-	45,155	45,155	40,918
Other grants	-	21,651	21,651	25,360
Coronavirus Job Retention Scheme	40,365	-	40,365	-
	40,365	66,806	107,171	66,278
	40,365	4,729,694	4,770,059	4,283,210
2019 total	-	*4,283,210*	*4,283,210*	

4 Other Trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Hire of facilities	129,744	-	129,744	90,478
Catering income	-	163,829	163,829	273,133
Joint course income with SWGS	-	-	-	33,300
Examination fees income	-	9,689	9,689	10,589
Visits and trip income	294,028	-	294,028	140,245
Educational supplies and services	-	27,468	27,468	69,761
Other income	4,200	-	4,200	1,573
	427,972	200,986	628,958	619,079
2019 total	*138,883*	*480,196*	*619,079*	

5 Investment income

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£	£	£	£
Bank interest	305	-	305	384
Investment income	21,528	-	21,528	10,128
	21,833	-	21,833	10,512
2019 total	*10,512*	-	*10,512*	

6 Expenditure

	Staff Costs	Premises & equipment	Other costs	Total 2020	Total 2019
	£	£	£	£	£
Academy's educational operations:					
Direct costs	3,419,894	-	579,304	3,999,198	3,488,663
Allocated support costs	756,509	801,571	404,164	1,962,244	2,005,477
	4,176,403	801,571	983,468	5,961,442	5,494,140
				note 7	
2019 total	*3,781,969*	*831,018*	*881,153*	*5,494,140*	

Net income/(expenditure) for the period includes:	2020	2019
	£	£
Operating lease rentals	72,834	112,365
Depreciation	415,851	416,211
Loss on disposal of fixed assets	-	609
Fees payable to auditor for:		
- audit (current year)	7,000	5,500
- other services	3,000	3,160

Included within expenditure are the following transactions:

	Reason	Total	Individual items
Compensation payments	-	-	-
Fixed asset losses	-	-	-
Unrecoverable debts	-	-	-
Ex-gratia payments	-	-	-

The legal authority sought to make ex-gratia payments was in compliance with the Academies Financial Handbook, being delegated authority or approval from the Education Funding Agency.

7 Charitable Activities - educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Direct costs				
Teaching and educational support staff costs	-	3,399,523	3,399,523	3,028,573
Technology costs	-	82,572	82,572	55,742
Educational supplies and consumables	-	90,892	90,892	176,117
Examination fees	-	106,161	106,161	122,221
Visits, trips and clubs	280,144	-	280,144	-
Staff development	-	20,372	20,372	22,448
Music fees	-	-	-	1,110
Other direct costs	-	19,534	19,534	82,452
	280,144	3,719,054	3,999,198	3,488,663
Allocated support costs				
Support staff costs	-	756,509	756,509	730,948
Depreciation	-	415,851	415,851	416,211
Recruitment and support	-	8,758	8,758	101,456
Maintenance of premises and equipment	-	118,963	118,963	139,973
Cleaning	-	78,655	78,655	89,107
Energy costs	-	89,931	89,931	87,031
Rent and rates	-	90,402	90,402	92,307
Insurance	-	19,659	19,659	41,614
Security and transport	-	7,769	7,769	6,389
Catering (excluding staff costs)	-	100,098	100,098	157,415
Interest and finance costs	-	6,753	6,753	8,757
Pension service costs	-	140,000	140,000	80,000
Hirings and external courses	-	23,319	23,319	-
External relations	-	22,562	22,562	-
Other support costs	-	70,204	70,204	50,877
Governance costs	-	12,811	12,811	3,392
	-	1,962,244	1,962,244	2,005,477
	280,144	5,681,298	5,961,442	5,494,140
Total 2019	*44,996*	*5,449,144*	*5,494,140*	

8 Staff

a. Staff costs

	Total 2020 £	Total 2019 £
Wages and salaries	3,122,929	2,901,317
Social security costs	291,235	264,210
Operating costs of defined benefit pension schemes	729,500	526,593
	4,143,664	3,692,120
Supply teacher costs	12,696	67,401
Redundancy costs	-	-
Staff development and other staff costs	20,043	22,448
	4,176,403	3,781,969

b. Non statutory/non contractual staff severance payments

Included in redundancy costs are non-statutory/non-contractual ex-gratia payments totalling £nil (2019: £nil). Individually, the payments were: £nil.

c. Staff numbers

The average number of persons (including senior management team) employed by the academy during the period was as follows:

	2020 No.	2019 No.
Teachers	60	59
Administration and support	49	49
Management	8	8
	117	116

d. Higher paid staff

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

	2020 No.	2019 No.
£60,000 - £70,000	2	1
£90,001 - £100,000	1	1

e Key management personnel

The key management personnel of the academy trust comprise the leadership 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 £695,953 (2019: £567,787).

9 Related Party Transactions - Trustees' Remuneration and Expenses

The principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. No other governors received payment from the academy trust for their role as governors.

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

Dr S D Smallwood PhD (Headmaster)
- . Remuneration £90,000 - £100,000 (2019: £90,000 - £100,000)
- . Employer's pension contributions paid £20,000 - £30,000 (2019: £10,000 - £20,000)

Mr J M Oldham (Staff Governor)
- . Remuneration £40,000 - £50,000 (2019: £30,000 - £40,000)
- . Employer's pension contributions paid £0 - £10,000 (2019: £0 - £10,000)

Mrs S Hayward (Staff Governor)
- . Remuneration £20,000 - £30,000 (2019: £20,000 - £30,000)
- . Employer's pension contributions paid £0 - £10,000 (2019: £0 - £10,000)

During the period ended 31 August 2020, travel and subsistence expenses totalling £nil were reimbursed to no trustee (2019: £nil).

Other related party transactions involving the trustees are set out within the related parties note.

10 Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2020 was not identifiable as part of the RPA arrangement (2019: RPA arrangement).

11 Tangible Fixed Assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2019	19,070,759	47,199	116,528	57,890	19,292,376
Additions	62,357	24,979	3,680	-	91,016
Disposals	-	-	-	-	-
At 31 August 2020	19,133,116	72,178	120,208	57,890	19,383,392
Depreciation					
At 1 September 2019	3,301,952	35,205	50,142	32,053	3,419,352
Charged in year	377,862	5,307	17,791	14,891	415,851
On disposals	-	-	-	-	-
At 31 August 2020	3,679,814	40,512	67,933	46,944	3,835,203
Net book values					
At 31 August 2020	15,453,302	31,666	52,275	10,946	15,548,189
At 31 August 2019	15,768,807	11,994	66,386	25,837	15,873,024

In line with the guidance in the Academies Accounts Direction 2020 with regards to buildings occupied by church academies, the academy has included the value of leasehold land and buildings within the balance sheet. The Governors did not feel that it represented a good use of public funds to request a formal valuation, therefore the insurance valuation of the buildings has been used.

The school's sport field at Britford Lane, which is included within land and buildings, was valued at market value by professional valuers Woolley & Wallis on 28 September 2015. The freehold land was gifted to the school in 2011 on conversion.

The school buildings are insured under the Risk Protection Arrangement and the cost insured is not specified.

12 Investments

	2020	2019
Investment funds:	£	£
Market value at 1 September 2019	471,154	438,928
Acquisitions at cost	500,000	-
Disposal proceeds	(50,000)	-
Unrealised gains/(losses) on investments	17,612	32,226
Market value at 31 August 2020	938,766	471,154
Historic cost	850,000	400,000

Notes to the Financial Statements (continued) for the year ended 31 August 2020

13 Debtors

	2020	2019
	£	£
Trade debtors	3,198	247
VAT recoverable	25,886	19,878
Other debtors	7,735	-
Prepayments and accrued income	31,788	26,104
	68,607	46,229

14 Creditors: Amounts falling due within one year

	2020	2019
	£	£
Other loans	-	2,942
Trade creditors	36,416	69,235
Other taxation and social security	72,359	68,452
Other creditors	38,226	27,287
Deferred income	117,527	75,900
	264,528	243,816

Deferred income	2020	2019
	£	£
Deferred income at 1 September 2019	75,900	70,632
Released from previous years	(31,227)	(32,283)
Resources deferred in the year	72,854	37,551
Deferred Income at 31 August 2020	117,527	75,900

At the balance sheet date the academy trust was holding funds received in advance for facility hire and courses booked for the autumn term 2020 plus £38,349 for an insurance grant.

15 Creditors: Amounts falling due in greater than one year

	2020	2019
	£	£
Other loans	-	-
Analysis of loans:		
Wholly repayable within five years	-	2,942
Less: included in current liabilities	-	-
Amounts falling due in more than one year	-	2,942
Loan maturity:		
Debt due in one year or less	-	2,942
In more than one year but not more than two years	-	-
In more than two years but not more than five years	-	-
	-	2,942

The academy had a Salix loan agreements with the EFA, which was agreed on 10/10/2013 with Salix Finance Ltd. The agreement was for a lighting project for a projected cost of £35,307, the academy repaid £2,942 six monthly and the last repayment was made on 01/09/2019.

Notes to the Financial Statements (continued) for the year ended 31 August 2020

16 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	363,580	4,386,523	(4,558,659)	-	191,444
Other DfE/EFA grants	-	276,365	(276,365)	-	-
Other government grants	-	66,806	(66,806)	-	-
Other restricted funds	-	200,986	(200,986)	-	-
	363,580	4,930,680	(5,102,816)	-	191,444
Pension reserve	(988,000)	-	(140,000)	(26,000)	(1,154,000)
	(624,420)	4,930,680	(5,242,816)	(26,000)	(962,556)
Restricted fixed asset funds					
DfE/EFA capital grants	1,621	21,595	(22,631)	-	585
Fixed assets	15,873,024	-	(415,851)	91,016	15,548,189
	15,874,645	21,595	(438,482)	91,016	15,548,774
Total restricted funds	15,250,225	4,952,275	(5,681,298)	65,016	14,586,218
Unrestricted funds					
General funds	498,929	620,590	(280,144)	(73,404)	765,971
Total unrestricted funds	498,929	620,590	(280,144)	(73,404)	765,971
Total funds	15,749,154	5,572,865	(5,961,442)	(8,388)	15,352,189

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

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Other DfE/EFA grants have been applied in the specific purposes of their issue.

The restricted fixed asset funds represents the capital assets of the school and any capital grants received which remain unspent at the year end. The transfer amount are those assets purchased in the year using unrestricted funds.

The unrestricted funds are donations and other trading activities that have been applied for educational purposes.

16 Funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	478,998	4,153,467	(4,268,885)	-	363,580
Other DfE/EFA grants	-	63,465	(63,465)	-	-
Other government grants	-	66,278	(66,278)	-	-
Other restricted funds	-	480,196	(480,196)	-	-
	478,998	4,763,406	(4,878,824)	-	363,580
Pension reserve	(515,000)	-	(80,000)	(393,000)	(988,000)
	(36,002)	4,763,406	(4,958,824)	(393,000)	(624,420)
Restricted fixed asset funds					
DfE/EFA capital grants	-	73,621	(72,000)	-	1,621
Fixed assets	16,269,205	-	(418,320)	22,139	15,873,024
	16,269,205	73,621	(490,320)	22,139	15,874,645
Total restricted funds	16,233,203	4,837,027	(5,449,144)	(370,861)	15,250,225
Unrestricted funds					
General funds	304,443	229,395	(44,996)	10,087	498,929
Total unrestricted funds	304,443	229,395	(44,996)	10,087	498,929
Total funds	16,537,646	5,066,422	(5,494,140)	(360,774)	15,749,154

17 Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	15,548,189	15,548,189
Investments	938,766	-	-	938,766
Current assets	91,733	191,444	585	283,762
Current liabilities	(264,528)	-	-	(264,528)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(1,154,000)	-	(1,154,000)
Total net assets	765,971	(962,556)	15,548,774	15,352,189

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

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	15,873,024	15,873,024
Investments	471,154	-	-	471,154
Current assets	271,591	363,580	1,621	636,792
Current liabilities	(243,816)	-	-	(243,816)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(988,000)	-	(988,000)
Total net assets	498,929	(624,420)	15,874,645	15,749,154

18 Capital Commitments

	2020	2019
	£	£
Contracted for, but not provided in the financial statements	-	-

There are no commitments as at 31 August 2020, nor at 31 August 2019.

19 Commitments under operating leases

Operating Leases

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

	Land and buildings		Other	
	2020	2019	2020	2019
	£	£	£	£
Amounts due within one year	68,668	67,856	5,804	2,692
Amounts due between one and five years	107,683	151,150	8,805	5,384
Amounts due after five years	-	-	-	-
	176,351	219,006	14,609	8,076

20 Related Parties

Owing to the nature of the academy trust's operations and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which governors have 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.

No related party transactions took place in the period of account.

21 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 amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

22 Agency Arrangements

The academy distributes 16-19 bursary funds to students as an agent for EFA. In accounting period ending 31 August 2020 the trust received £6,013 (2019: £6,594) and disbursed £2,400 (2019: £1,700) from the fund. An amount of £17,640 (2019: £14,027) has been included in other creditors relating to undistributed funds that are repayable to EFA.

23 Pension and Similar Obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Wiltshire Council. Both are multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 (published by the Department for Education on 5 March 2019 and applicable from 1 September 2019) and of the LGPS 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);

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

23 Pension and Similar Obligations (continued)

The next valuation result is due to be implemented from 1 April 2023.

The pension costs paid to TPS in the period amounted to £528,761 (2019: £348,346).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

Contributions made	**2020**	**2019**
	£	**£**
Employer's contributions	203,000	178,000
Employees' contributions	45,000	41,000
Total normal contributions	248,000	219,000

The LGPS scheme is currently in deficit and the entity has entered into an agreement with the trustees for the Academy to make additional contributions in addition to normal funding levels. Additional contributions made in the current year amounted to £nil and for 2020/21 are estimated to be £nil.

The agreed contribution rates for future years are 26.4% for employers and 5.8% to 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 closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal Actuarial Assumptions	**At 31 August 2020**	**At 31 August 2019**
Rate of increase in salaries	2.70%	2.60%
Rate of increase for pensions in payment/inflation	2.30%	2.30%
Discount rate for scheme liabilities	1.70%	1.80%
Inflation assumption (CPI)	2.30%	2.30%
Commutation of pensions to lump sums	50.00%	50.00%

23 Pension and Similar Obligations (continued)

Sensitivity Analysis	Approximate % increase in employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	10.00%	455
0.5% increase in the salary increase rate	0.00%	22
0.5% decrease in the pension increase rate	10.00%	427

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

	At 31 August 2020	At 31 August 2019
Retiring today		
Males	21.7	21.4
Females	24.0	23.7
Retiring in 20 years		
Males	22.5	22.3
Females	25.5	25.1

The academy's share of the assets in the scheme were:

	Fair value at 31 August 2020 £	Fair value at 31 August 2019 £
Equities	1,782,480	2,094,500
Bonds	1,018,560	413,000
Property	381,960	383,500
Cash	-	59,000
Total market value of assets	3,183,000	2,950,000
Present value of scheme liabilities - funded	(4,337,000)	(3,938,000)
	(1,154,000)	(988,000)

The actual return on scheme assets was 2.1% (2019: 6.4%).

Amounts recognised in the statement of financial activities

	2020 £	2019 £
Current service cost (net of employee contributions)	121,000	65,000
Net interest cost	19,000	15,000
Total operating charge	140,000	80,000

23 Pension and Similar Obligations (continued)

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

	2020	2019
	£	£
At 1 September	(3,938,000)	(3,101,000)
Current service cost	(324,000)	(243,000)
Past service cost	-	(12,000)
Interest cost	(74,000)	(90,000)
Employee contributions	(45,000)	(41,000)
Actuarial (gain)/loss	(17,000)	(484,000)
Benefits paid	61,000	33,000
At 31 August	(4,337,000)	(3,938,000)

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

	2020	2019
	£	£
At 1 September	2,950,000	2,586,000
Return on plan assets (excluding net interest on the net defined pension liability)	55,000	75,000
Actuarial gain/(loss)	(9,000)	103,000
Employer contributions	203,000	178,000
Employee contributions	45,000	41,000
Benefits paid	(61,000)	(33,000)
At 31 August	3,183,000	2,950,000