

**Company Registration No. 07489113 (England and Wales)**

**THE WEST GRANTHAM ACADEMIES TRUST**

**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

# THE WEST GRANTHAM ACADEMIES TRUST

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# THE WEST GRANTHAM ACADEMIES TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

The Chair of Trustees  
The Children's Centre Leader of Swingbridge Children's Centre  
(ex officio Member)  
The Principal and Executive of Grantham College (ex officio Member)

### Trustees

C Edwards OBE (Chair and Foundation) (Resigned 11 March 2019)  
E Austen (Parent and Chair) (Resigned 19 September 2019)  
J Crook (Co-opted) (Resigned 6 February 2019)  
L Hulse (Staff)  
G Morton (Parent)  
J Robb (Foundation)  
N Smyth (Resigned 14 December 2018)  
S Davison-Allott (Parent) (Resigned 18 December 2018)  
J Waters-Dewhurst (Interim Chair) (Appointed 29 September 2019)  
A Child (Appointed 6 November 2019)  
M Adnitt (Appointed 25 September 2019)  
S Ellam (Appointed 25 September 2019)  
A Treacy (Appointed 1 October 2019)  
A Wood (Appointed 26 September 2019)  
D Williams (Appointed 6 November 2019)  
J Greaves (Appointed 6 November 2019)

### Senior management team

- Executive Head Teacher and Accounting Officer to 31 January 2019	S Dench (resigned 31 August 2019)
- Deputy Head teacher (St Hugh's) and Acting Accounting Officer	K Kuffour (appointed 1 February 2019 to 13 November 2019)
- Trust SENCO	E Mann (resigned 31 August 2019)
- Head of Primary Academy	D Davey (resigned 31 January 2019)
- Head of Early Years (St John's)	N Smyth (resigned 14 December 2018)
- Deputy Head (St John's)	N Woolerton
- Teacher and Head of House (St Hugh's)	L Hulse
- Interim Chief Executive Officer, Head of (St Hugh's) and Acting Accounting Officer	M Fowle (appointed 13 November 2019)

During the year ended 31 August 2019 Archway Learning Trust provided resources to the trust, including a number of individuals who formed part of the decision-making team. These individuals were not employees of the trust and, on that basis, their names are not listed here.

### Company secretary

J Swatton

# THE WEST GRANTHAM ACADEMIES TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Company registration number</b>	07489113 (England and Wales)
<b>Registered office</b>	The Avenue Dysart Road Grantham Lincolnshire NG31 7PX
<b>Independent auditor</b>	UHY Hacker Young 14 Park Row Nottingham NG1 6GR
<b>Bankers</b>	Lloyds Bank Plc Old Market Square Nottingham NG1 6FD
<b>Solicitors</b>	Lee, Bolton, Monier, Williams 1 The Sanctuary Westminster London SW1P 3JT

# THE WEST GRANTHAM ACADEMIES TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2019

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

The principal object and activity of the charitable company is the operation of The West Grantham Academies Trust to provide education for pupils of different abilities between the ages of 3 and 16. It operates a primary school and a secondary school in Grantham.

#### **Structure, governance and management**

##### Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The charitable company operates as The West Grantham Academies Trust.

The trustees of The West Grantham Academies Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

##### Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

##### Trustees' indemnities

The Trustees are indemnified under the Trust's Insurance to the limit of £2,000,000 in the aggregate, inclusive of all costs and expenses, in respect of claims first made against the Trustee during the period of insurance with a retroactive date of 1 April 2006. There is an exclusion for exemplary or punitive damages awarded by any court of law outside territorial limits.

##### Method of recruitment and appointment or election of trustees

The Articles of Association prescribe the following rules for appointment to the Board of Directors:

- The Lincoln Diocesan Board of Education may appoint up to three Directors / Trustees;
- Up to 2 staff Trustees, by election from within the staff body;
- Up to two Parent Trustees, by election from within the parent body;
- The CEO may be a Director / Trustee; and
- 4 other Directors / Trustees as appointed by the Members.

##### Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new Trustees depends on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new Trustees are given a tour of the Academies and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

# **THE WEST GRANTHAM ACADEMIES TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2019**

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#### Organisational structure

The structure consists of four levels; the Members, the Trustees, the Trust Leadership Team and the Leadership Teams of each individual academy. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

Details of the Members of the Trust are listed on page 1.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust by the use of budgets and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

The Trust Leadership Team during the year comprised the Chair of Board of Directors, the Executive Headteacher (long term sickness from 30 January 2019 and left the Trust on 31 August 2019), Head of Primary Academy (resigned January 2019), Interim Head of School (from 3 June 2019), Associate Headteacher (from February 2019 until 16 July 2019) and the Deputy Headteachers of both academies. These leaders control the Trust at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group the Leadership Team is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Leadership Teams of the individual Academies always include a Trustee. Some spending control is devolved to members of the Leadership Teams of each individual Academy, with appropriate authorisation limits in place.

The Leadership Teams of each academy include the Headteacher of the relevant Academy and senior staff as appropriate for the line management structure in that academy. These leaders are responsible for the day to day operation of the academy, in particular organising the teaching staff, facilities and students.

# THE WEST GRANTHAM ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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

The Finance and Strategy Committee will determine the 5-point range of a new Headteacher, Deputy Headteacher or Assistant Headteacher to reflect the criteria specified in the STPCD – job weight and challenge, the circumstances of the academy and any recruitment difficulties – and the point on the range (of the bottom 3) on which the successful applicant(s) will be placed.

The Board of Trustees is committed to the maintenance of appropriate differentials between members and non-members of the Leadership Group to reflect the responsibilities of such posts and the Audit and Finance Committee will ensure that there is a differential between the lowest point of a Headteacher's range and that of a Deputy Headteacher at Secondary or Assistant Headteacher at Primary of at least two points. It will also ensure that the lowest point of an Assistant Headteacher's range is at least £2,500 above the salary of the highest paid classroom teacher (or whatever sum is deemed appropriate).

The ranges of Executive Headteacher/Headteacher/Deputy Headteacher/Assistant Headteacher may be reviewed at any time in the year on the basis of increased job weight/responsibility.

The Finance and Strategy Committee will exercise its discretion to adjust the range of a Headteacher/Deputy Headteacher/Assistant Headteacher (or not) at any time during the year to retain his/her services as and when it deems necessary.

In cases where a member of the leadership group decides to step down (i.e., reverts to the position of a classroom teacher) the Finance and Strategy Committee will exercise its discretion to put the individual in question onto a point above point 1 on the upper pay spine (or on point 2 on the upper pay spine or point 3 on the upper pay spine).

For matters relating to Pay and Conditions of Service for Support Staff the Board of Trustees will follow the nationally agreed guidance contained in the National Agreement on Pay and Conditions of Service for Local Government Services and in the Local Conditions of Service adopted by Lincolnshire County Council.

Whatever job descriptions are agreed for support staff the Board of Trustees will ensure that these are evaluated in line with the Trust's job evaluation scheme as adopted from Lincolnshire County Council.

The Board of Trustees will seek to ensure that there is proper pay relativity between jobs within the Trust and will have full regard to the requirements relating to equal pay/value.

The Board of Trustees will monitor the outcomes and impact of this policy on an annual basis including trends in progression across specific groups of teachers to assess its effect and the academy's continued compliance with equalities legislation.

#### Trade union facility time

The Trust does not have any paid union officials.

#### Related parties and other connected charities and organisations

The Articles of Association provide for reciprocal appointments onto the Boards of The West Grantham Academies Trust and Grantham College, and there is significant trade, at arm's length, between them during the year.

# THE WEST GRANTHAM ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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There is an agreement for sharing the maintenance of the access road between Ambergate Specialist Sports College and The West Grantham Academy St John's upper site.

During 2018/19 the Trust had links with the LTSA, Nottingham Trent and Nottingham Universities, Teach First and William Farr Academy. In addition, The West Grantham Academy St John's was supported by an NLE from Harlaxton and Denton schools.

In February 2019 a service level agreement was entered into with Archway Learning Trust to provide support for both academies.

#### **Objectives and activities**

##### Objects and aims

The principal object and activity of the charitable company is the operation of The West Grantham Academies Trust to provide education for pupils of different abilities between the ages of 3 and 16.

The Trust's objects, as disclosed in our Articles of Association are as follows:

*To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the forgoing by establishing, maintaining carrying on, managing and developing schools with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement) and in having regard to the advice of the Diocesan Board of Education.*

##### Objectives, strategies and activities

The company is steadfastly focussed on providing an exemplary education to its students, following a broad and balanced curriculum and encouraging development of life skills over and above pure academic competence, in order to facilitate the transition to young adulthood as our students progress through the school. These will be achieved through the implementation of the Academy Improvement Plans and related CPD activities. Rigorous monitoring and evaluation are planned through the year, including a full curriculum review at secondary.

##### Public benefit

The Trustees of the Academy Trust have exercised due regard to the guidance on public benefit published by the Charity Commission in exercising their power and duties. Our provision of education is inclusive and wide ranging, with students able to experience diverse areas of the curriculum and learn key skills for their future lives.



# THE WEST GRANTHAM ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Strategic report

##### Achievements and performance

The Trust is in its ninth year of operation and forecast numbers of students are set as per PAN. The total number of students on roll as at the October 2018 census was as follows:

The West Grantham Academy St Hugh's	364
The West Grantham Academy St John's (including Nursery)	320

#### West Grantham Academy St Hugh's

Examination results have shown a significant improvement with the initial, un-validated Progress 8 (P8) score from Go4schools being -0.47. This is above the Government floor standard and represents an increase of +0.39 from the previous year.

All P8 buckets showed an increase from an average of the previous three years:

- English increased +0.36 to -0.5
- Maths increased +0.33 to -0.2. This represents the strongest performance in the core subjects.
- The EBacc bucket increased +0.04 to -0.5.
- The Open bucket increased +0.81 to -0.6 with the vocational qualification of Digital Media showing the strongest outcomes.

The curriculum has been redesigned to better support the students of the academy. Recruitment into Maths, Science, Geography, Technology and SLT has strengthened the quality of education and leadership which should continue to improve outcomes in all areas.

The academy is awaiting monitoring visits and a full inspection during 2019/20.

#### West Grantham Academy St John's

The percentage of children achieving a good level of development at the end of Foundation Stage at BIPA was below the national average at 57.1%% (national average 71.8%). At KS1, the results were: Reading: 57.1%, Writing 47.6% and Mathematics 78.6%. The percentage of children attaining the age expected standard in Reading, Writing and Mathematics was 45.2%. All of these figures (except Maths) are significantly below the National Average.

The Phonics screening results at year 1 was 65.8%, which is 16% below the national average, and year 2 were 95.1%, which is above national average at 91.4%. Attainment at KS2 was also significantly below the national average figures in all three areas: Reading: 37.5%, Writing 62.5% and Mathematics 65%. Progress figures for 2018/2019 were Reading -1.6, Writing 2.1 and Mathematics 1.7.

The Trust Board recognises the current position of the academy. Following the Special Measures judgement from Ofsted (July 2019), it is fully committed to rapidly improving outcomes for pupils and providing excellence for all. Support packages have been commissioned with The Archway Learning Trust; a local teaching school; an Early Years consultant; DDAT and an LLE.

# **THE WEST GRANTHAM ACADEMIES TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2019**

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#### Key performance indicators

The Academy Improvement Plans for 2018/19, written by the Executive Headteacher, outlined a review and costing of the curriculum for secondary as a KPI for achieving a balanced budget. The review has been undertaken by the new senior leadership team and this will inform the financial recovery plan for 2019/20.

#### Going concern

After making appropriate enquiries, the board of trustees, although acknowledging material uncertainties, has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts.

There are a number of issues which impact on going concern and these are explained in more detail in note 1.2.

The trustees have strengthened the depth and breadth of the skills on the board to ensure the continuation of appropriate educational provision, set budgets to ensure financial stability and to secure the future of the schools by identifying opportunities for them within a new trust.

# THE WEST GRANTHAM ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Financial review

Most of the Trust's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 as part of the General Annual Grant (GAG) comprise the School Budget Share, Education Services Grant, Minimum funding Guarantee, PE Grant, Pupil Premium and Additional Insurance Funding. This income and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Trust also receives grants for fixed assets from the DfE in the form of Devolved Formula Capital. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2019 total income was £4,690,185 and expenditure was £5,909,467, leading to a net deficit of £1,219,282. When depreciation, capital grants and local government pension scheme adjustments are excluded, the deficit is £602,736 (2018: deficit £140,450).

The deficit on the pension reserve of £3,093,000 arises from the actuarial measurement of the Academy's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of the employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of the service cost rather than employer contributions paid, and amounts to £424,000. The trust also pays an additional contribution of £11,000 per annum. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund, the movement this year being a net £1,214,000 actuarial increase in the net pension fund deficit.

At 31 August 2019, the net book value of fixed assets was £12,940,167 and movements in tangible fixed assets are shown in note 13 of the financial statements. During the period the assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Taking into account the surplus brought forward from last year, the Trust has an accumulated reserves carried forward of £11,316,169 (2018: £13,749,452). The balance on restricted general funds, excluding pension reserve, plus unrestricted fund at 31 August 2019 was £1,469,002 compared to £2,193,094 at 31 August 2018. The movement of £724,092 includes the deficit of £602,736 and the transfer to the fixed asset fund of £121,356.

# THE WEST GRANTHAM ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Reserves policy

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

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The review is no longer affected by the DfE policy regarding the permitted carry forward of GAG funding at the end of a financial period which formerly stood at 12%. The Trustees have determined that the appropriate level of free reserves should be equivalent to 2 months expenditure, approximately £1,200,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Trust's current level of free reserves (total funds less the net book value of the fixed assets, less capital grants held in the fixed assets reserve plus the pension scheme liability) is £1,469,002 (2018: £2,193,094).

#### Investment policy

As the Trust is holding cash balances it therefore has the power to make investment decisions. Any investments are made only in accordance with written procedures approved by the Board of Trustees. Any investment would only be made on a short term low risk basis should there be funding available surplus to immediate requirement allowing for the reserves policy.

#### Principal risks and uncertainties

There are a number of risks the academies face. The proposed changes to the National Funding Formula and a reduction in pupil numbers across the catchment will affect the amount of money coming into the academies.

Re-structuring and staffing changes at The West Grantham Academy St Hugh's will enable it to withstand the projected reduction in pupil numbers over the next few years.

The Trust considers itself to be in a strong position in relation to operational and change risks. The Trust has continued to build leadership at all levels and recruits directly into the academies through the School Direct programme, Teach First and development programmes such as the NPQSL/NPQH.

The West Grantham Academy St Hugh's and The West Grantham Academy St John's were judged 'inadequate' at their last inspections. The Trust is at risk and has been recommended to join another Trust. This is still the recommendation following the cancellation of the planned transfer to Archway Learning Trust on 1 September 2019.

# THE WEST GRANTHAM ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### Financial and risk management objectives and policies

#### Disabled employees

Ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the ground floor main areas of the Academies in the Trust. There is a lift from the ground floor to the hall on a lower level at The West Grantham Academy St Hugh's. The policy of the Trust is to support recruitment and retention of students and employees with disabilities. The Trust does this by adapting the physical environment, making support resources available and through training and career development.

#### Equal opportunities

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

### **Fundraising**

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

### **Plans for future periods**

The academies are committed to providing a quality education and are morally obliged to provide this to all students regardless of background.

The Trust continues to operate as an independent Trust subject to the brokerage of a viable alternative.

### **Funds held as custodian trustee on behalf of others**

The Trust does not act as custodian trustee on behalf of another charity.

### **Auditor**

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

A resolution proposing that UHY Hacker Young be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 17 December 2019 and signed on its behalf by:

J Waters-Dewhurst

**Interim Chair**

# THE WEST GRANTHAM ACADEMIES TRUST

## GOVERNANCE STATEMENT

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Executive Head Teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The West Grantham Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Due to the absence of the Executive Head Teacher from January 2019, the role of Accounting Officer was transferred to K Kuffour, Deputy Head Teacher at St Hugh's, with effect from 1 February 2019. The Interim Chief Executive Officer, M Fowle, was appointed as Acting Accounting Officer on 13 November 2019.

#### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
C Edwards OBE (Chair and Foundation) (Resigned 11 March 2019)	4	4
E Austen (Parent and Chair) (Resigned 19 September 2019)	4	5
J Crook (Co-opted) (Resigned 6 February 2019)	2	2
L Hulse (Staff)	4	4
G Morton (Parent)	5	5
J Robb (Foundation)	4	5
N Smyth (Resigned 14 December 2018)	2	2
S Davison-Allott (Parent) (Resigned 18 December 2018)	2	2
J Waters-Dewhurst (Interim Chair) (Appointed 29 September 2019)	0	0
A Child (Appointed 6 November 2019)	0	0
M Adnitt (Appointed 25 September 2019)	0	0
S Ellam (Appointed 25 September 2019)	0	0
A Treacy (Appointed 1 October 2019)	0	0
A Wood (Appointed 26 September 2019)	0	0
D Williams (Appointed 6 November 2019)	0	0
J Greaves (Appointed 6 November 2019)		

# THE WEST GRANTHAM ACADEMIES TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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There has been no review of governance due to the expectation that the trust would transfer its schools to another trust during the year. The trust board has been subject to a number of changes; 5 trustees have resigned since 31 August 2018 and there have been 3 chairs of trustees.

N Smyth resigned from the Board on 14 December 2018, S Davison-Allott on 18 December 2018 and J Crook on 6 February 2019. The Chair of the Board, C Edwards, resigned on 11 March 2019 and E Austen was appointed Chair on 11 March 2019. E Austen resigned as Chair on 19 September 2019. J Waters-Dewhurst was appointed Interim Chair on 29 September 2019.

The Diocese have been unable to fill two Foundation vacancies throughout the year due to a shortage of availability within the Diocese. The Board in 2018/19 had vacancies for two Foundation, two parent, one staff and four Member appointments. Due to the pending transfer to Archway Learning Trust it was decided in the Spring 2019 not to recruit and this was supported by the Regional Schools Commissioner.

During the year ended 31 August 2019 the trustees operated under the expectation that the schools would join Archway Learning Trust, although the transfer was delayed and subsequently cancelled. This means that certain functions of the trust board were managed differently than would have been the case in other circumstances and normal governance was disrupted leading to fewer than 6 board meetings over the course of the year.

The Audit and Finance Committee is a committee of the main board of trustees. Its purpose is to plan and monitor the financial and other resources of the school effectively, and to ensure the school provides a safe educational environment. One of the committee's responsibilities is routine budget setting and monitoring.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
E Austen (Parent and Chair) (Resigned 19 September 2019)	2	4
G Morton (Parent)	3	4
J Robb (Foundation)	3	4

In November 2019 the board of trustees took over the responsibilities of the audit committee.

# THE WEST GRANTHAM ACADEMIES TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### **Review of value for money**

The Acting Accounting Officer has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Acting Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Acting Accounting Officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Acting Accounting Officers in place during the year have delivered improved value for money by:

- Removal of independent iPads at the cost of £40,000 per annum, plus associated costs, maintenance and subscriptions
- Appointment of Cover Supervisor, with a salary of £22,708 and reduction in supply compared to supply costs of £94,165 for the previous year, giving a saving of £30,000
- Lettings are being sourced and secured, representing the beginnings of a revenue plan with income increasing from £0 to £200
- Resources, including IT and Student Support, have been relocated within the main building making a saving of £58,188
- Selling of the Trust car, minibus and trailer
- Ending of contracts with Cannoville Coaching and BehaviourWise, saving £28,419 per annum
- Course booking at Grantham College no longer offered, making a saving of £20,000 per annum

The Trust is proud of our students and we work very hard to help them succeed. We are relentless in our pursuit of improving attainment and our action plans agreed by the Board for the coming years reflect the direction of travel which we are determined to move in. We do not exist just to provide a route to secure qualifications, but facilitating access to the next stage of each and every student's life, through from Key Stage 1 to 4. This manifests itself in the broad range of the curriculum offered, the extra-curricular activities available, and the social development opportunities that exist within our group of schools.

We continue to believe in the value of high quality teaching. We monitor teaching quality on a regular basis, and invest in appropriate CPD, and resources to drive up the levels of outstanding teaching across all of our schools.

Attendance is continually improving due largely to the intensive work programme put in place to monitor and follow up on all non-attendance issues. However, a real success is seen in reducing persistent absenteeism at St Hugh's. We are not content with performance on these metrics yet, however are on the right path to establishing great attendance figures.

Financial performance for the Trust during the year has been sound, albeit against a position of tightening funding arrangements and increasing costs. The Trust's reserves remain healthy, and the Board are committed to ensuring that reserves are used for projects that will benefit our students. The Board however are cognisant of their requirement to maintain healthy reserves so that future needs can be met.



# THE WEST GRANTHAM ACADEMIES TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The West Grantham Academies Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

#### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

#### **The risk and control framework**

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Duncan and Toplis to carry out an internal audit review covering the year to 31 August 2019. This review was undertaken in December 2019 and the report is at a draft stage.

The internal auditor's role includes performing a range of checks on the academy trust's financial systems. The internal auditor will report to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. In particular the checks included:

- testing of payroll systems;
- testing of purchase systems; and
- testing of control account/ bank reconciliations.

The trust did not engage an internal audit service during the year ended 31 August 2019 due to the expectation that the schools would join Archway Learning Trust. The trustees have now engaged a firm of internal auditors to report in respect of the year ended 31 August 2019 in order to discharge their responsibilities.

## **THE WEST GRANTHAM ACADEMIES TRUST**

### **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **Review of effectiveness**

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Acting Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 17 December 2019 and signed on its behalf by:

J Waters-Dewhurst  
**Interim Chair**

M Fowle  
**Acting Accounting Officer**

# **THE WEST GRANTHAM ACADEMIES TRUST**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

### **FOR THE YEAR ENDED 31 AUGUST 2019**

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As accounting officer of The West Grantham Academies Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & 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 2018.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA:

#### **Non-financial issue**

- A service level agreement was signed in February 2019 with Archway Learning Trust for the provision of support services to the two schools. This included senior leadership personnel. The normal tendering process was not followed because there was an expectation that the schools would join Archway Learning Trust at some point during 2018/2019. This did not happen. The service level agreement lapsed when the transfer was cancelled. This means that vital support services to the schools have been provided by Archway Learning Trust since September 2019 whilst a service level agreement was being negotiated, however, this was not agreed or signed.

#### **Financial issue**

- The budget forecast for 2019/2020 was produced by staff at Archway Learning Trust, and subsequently approved by the board of trustees of The West Grantham Academies Trust and submitted to the ESFA. Following the announcement that the schools would not be joining Archway Learning Trust, the trustees had insufficient time to revisit the budget forecast for 2019/2020 and therefore, the current forecasts may not be suitable for making an assessment of going concern.

There have been three Accounting Officers during the year ended 31 August 2019. As the current Acting Accounting Officer, I have satisfied myself as to the accuracy of statements in this report by reviewing the trust's systems, discussions with trust personnel and the work of the internal auditor.

M Fowle

**Acting Accounting Officer**

17 December 2019

# **THE WEST GRANTHAM ACADEMIES TRUST**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### **FOR THE YEAR ENDED 31 AUGUST 2019**

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The trustees (who are also the directors of The West Grantham Academies Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 17 December 2019 and signed on its behalf by:

J Waters-Dewhurst  
**Interim Chair**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WEST GRANTHAM ACADEMIES TRUST**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Opinion**

We have audited the accounts of The West Grantham Academies Trust for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have not been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

### **Basis for opinion**

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

### **Material uncertainty related to going concern**

Attention is drawn to note 1.2 to the financial statements and the factors that may impact on the going concern of the trust. Positive action will have to be taken by the trustees to secure the long-term future of the trust by ensuring adequate support services are available and improvements recommended by the Ofsted assessments are implemented. As stated in note 1.2 these conditions (along with the other matters set out in that note) indicate that a material uncertainty exists that may cast significant doubt on the ability of the trust to continue as a going concern. Our opinion is not qualified in this respect.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WEST GRANTHAM ACADEMIES TRUST (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Other information**

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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 trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WEST GRANTHAM ACADEMIES TRUST (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://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 charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Elizabeth Searby (Senior Statutory Auditor)**  
**for and on behalf of UHY Hacker Young**

18 December 2019

**Chartered Accountants**  
**Statutory Auditor**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON  
REGULARITY TO THE WEST GRANTHAM ACADEMIES TRUST AND THE  
EDUCATION & SKILLS FUNDING AGENCY  
FOR THE YEAR ENDED 31 AUGUST 2019**

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In accordance with the terms of our engagement letter dated 7 March 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The West Grantham Academies Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The West Grantham Academies Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The West Grantham Academies Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The West Grantham Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of The West Grantham Academies Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The West Grantham Academies Trust's funding agreement with the Secretary of State for Education dated 31 January 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by 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.

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON  
REGULARITY TO THE WEST GRANTHAM ACADEMIES TRUST AND THE  
EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety within the trust,
- Testing of those areas identified through risk assessment, including reviewing internal controls, analytical review and enquiries of management.
- Consideration of the evidence and concluding on the work carried out.

**Conclusion**

In the course of our work, except for the matters 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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

A service level agreement was signed in February 2019 with Archway Learning Trust for the provision of support services to the two schools. This included senior leadership personnel. The normal tendering process was not followed because there was an expectation that the schools would join Archway Learning Trust at some point during 2018/2019. The transfer of the schools to Archway Learning Trust did not go ahead in September 2019 and it is our understanding that, at that point, the service level agreement lapsed. This means that vital support services to the schools have been provided by Archway Learning Trust since September 2019 without a valid service level agreement.

The budget forecast for 2019/2020 was produced by staff at Archway Learning Trust, and subsequently approved by the board of trustees of The West Grantham Academies Trust and submitted to the ESFA. Following the cancellation of the proposed transfer of the schools to Archway Learning Trust in September 2019, the trustees had insufficient time to ensure that a revised budget forecast was prepared under the new assumption that the schools would continue within the trust for the foreseeable future. This means that the accuracy of the current forecasts cannot be assessed and concluded upon.

UHY Hacker Young LLP

**Reporting Accountant**

UHY Hacker Young

14 Park Row

Nottingham

NG1 6GR

Dated: 18 December 2019

# THE WEST GRANTHAM ACADEMIES TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General	Fixed asset £	Total 2019 £	Total 2018 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	3,171	-	54,501	57,672	793,157
Charitable activities:						
- Funding for educational operations	4	-	4,608,073	-	4,608,073	4,981,901
Other trading activities	5	20,004	1,260	-	21,264	51,729
Investments	6	3,176	-	-	3,176	11,996
<b>Total</b>		26,351	4,609,333	54,501	4,690,185	5,838,783
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	8	47,520	5,479,899	382,048	5,909,467	5,849,077
<b>Total</b>	7	47,520	5,479,899	382,048	5,909,467	5,849,077
<b>Net expenditure</b>		(21,169)	(870,566)	(327,547)	(1,219,282)	(10,294)
Transfers between funds	17	-	(121,356)	121,356	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial (losses)/gains on defined benefit pension schemes	19	-	(1,214,000)	-	(1,214,000)	791,000
<b>Net movement in funds</b>		(21,169)	(2,205,922)	(206,191)	(2,433,282)	780,706
<b>Reconciliation of funds</b>						
Total funds brought forward		249,592	353,501	13,146,358	13,749,451	12,968,746
Total funds carried forward		228,423	(1,852,421)	12,940,167	11,316,169	13,749,452

# THE WEST GRANTHAM ACADEMIES TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2018 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	847	-	792,310	793,157
Charitable activities:					
- Funding for educational operations	4	-	4,981,901	-	4,981,901
Other trading activities	5	37,259	14,470	-	51,729
Investments	6	11,996	-	-	11,996
<b>Total</b>		50,102	4,996,371	792,310	5,838,783
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	8	5,093	5,525,830	318,154	5,849,077
<b>Total</b>	7	5,093	5,525,830	318,154	5,849,077
<b>Net income/(expenditure)</b>		45,009	(529,459)	474,156	(10,294)
Transfers between funds	17	-	(265,687)	265,687	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	19	-	791,000	-	791,000
<b>Net movement in funds</b>		45,009	(4,146)	739,843	780,706
<b>Reconciliation of funds</b>					
Total funds brought forward		204,584	357,647	12,406,515	12,968,746
Total funds carried forward		249,593	353,501	13,146,358	13,749,452

# THE WEST GRANTHAM ACADEMIES TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	13	12,940,167		13,135,740	
<b>Current assets</b>					
Debtors	14	181,213		257,235	
Cash at bank and in hand		1,738,661		2,483,796	
		<u>1,919,874</u>		<u>2,741,031</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	15	(450,872)		(537,319)	
		<u></u>		<u></u>	
<b>Net current assets</b>			1,469,002		2,203,712
			<u></u>		<u></u>
<b>Net assets excluding pension liability</b>			14,409,169		15,339,452
			<u></u>		<u></u>
Defined benefit pension scheme liability	19	(3,093,000)		(1,590,000)	
		<u></u>		<u></u>	
<b>Total net assets</b>			<u>11,316,169</u>		<u>13,749,452</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	17				
- Fixed asset funds		12,940,167		13,146,358	
- Restricted income funds		1,240,579		1,943,501	
- Pension reserve		(3,093,000)		(1,590,000)	
		<u></u>		<u></u>	
<b>Total restricted funds</b>			11,087,746		13,499,859
			<u></u>		<u></u>
<b>Unrestricted income funds</b>	17		228,423		249,593
			<u></u>		<u></u>
<b>Total funds</b>			<u>11,316,169</u>		<u>13,749,452</u>
			<u></u>		<u></u>

The accounts on pages 24 to 54 were approved by the trustees and authorised for issue on 17 December 2019 and are signed on their behalf by:

J Waters-Dewhurst  
Interim Chair

Company Number 07489113

**THE WEST GRANTHAM ACADEMIES TRUST**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Net cash used in operating activities	20		(616,337)		(656,772)
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		3,176		11,996	
Capital grants from DfE Group		54,501		792,157	
Purchase of tangible fixed assets		(186,475)		(1,047,226)	
<b>Net cash used in investing activities</b>			(128,798)		(243,073)
<b>Net decrease in cash and cash equivalents in the reporting period</b>			(745,135)		(899,845)
Cash and cash equivalents at beginning of the year			2,483,796		3,383,641
<b>Cash and cash equivalents at end of the year</b>			1,738,661		2,483,796

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# THE WEST GRANTHAM ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1 Accounting policies

The West Grantham Academies Trust is a charitable company limited by guarantee incorporated in England and Wales. The registered office is St Hugh's Site, The Avenue, Dysart Road, Grantham, Lincolnshire, NG31 7PX.

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 accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The West Grantham Academies Trust meets the definition of a public benefit entity under FRS 102.

##### 1.2 Going concern

The trustees have assessed whether the use of going concern to prepare these financial statements is appropriate. There are material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern as follows:

(i) During the year the trust received educational and management support services from Archway Learning Trust ("Archway") under a service level agreement whilst discussions were on-going to effect a transfer of the two schools operated by The West Grantham Academies Trust to Archway. The transfer did not proceed as planned in September 2019 and (at that point) the service level agreement with Archway ceased. The support services have continued in the intervening period but they are not provided under a valid service level agreement, which means that the services can be withdrawn at the discretion of Archway. Archway have indicated that they will withdraw from the trust at the end of the current term (December 2019). The trustees have taken steps to ensure that both schools will be fully staffed and operational from January 2020.

(ii) The budget forecast for the year ended 31 August 2020 for the trust was prepared by staff at Archway. The trustees have been unable to properly assess the assumptions underlying the figures in the forecast and it is likely that (given the subsequent cancellation of the transfer to Archway) the forecast figures need to be updated. The trust is in the process of preparing revised forecasts for 2019/2020 and beyond.

(iii) The trust had net expenditure of £1,219,282 for the year ended 31 August 2019 and absorbed £745,135 of cash balances during that period. The trust's reserves (excluding fixed asset fund and pension reserve) at 31 August 2019 totalled £1,469,002 and cash at bank was £1,738,661. Given this level of reserves and cash balances the trustees assess the trust can continue its operations for the next 12 months. However, without an agreed forecast for 2019/2020 and subsequent years it is not possible to assess the period of time during which the trust will remain in overall surplus. The trust is in the process of establishing a robust plan to address any forecast in-year deficits for the next 3 years.

# THE WEST GRANTHAM ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1 Accounting policies

(Continued)

(iv) The latest Ofsted reports for the two schools operated by the trust assess them as inadequate. The trustees are exploring other options to secure the future of the schools. However, at the date of this report no decision has been made.

(v) The trustees consider the £3,093,000 deficit on the pension reserve separately from the general restricted income fund. This ensures that the trust has the restricted income fund available.

The trustees are fully aware of the implications of the issues set out in this note. They are actively pursuing alternatives for the provision of support services as well as working with the Regional Schools Commissioner to secure the future of the trust's schools within another academy trust. If the schools are transferred the Charitable Company will be wound up in an orderly manner.

After taking into account the issues (i) to (v), the trustees have concluded that it is appropriate to continue to adopt the going concern basis for the preparation of these accounts.

#### 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 period for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet 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.

##### Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

##### Donations

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

# THE WEST GRANTHAM ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1 Accounting policies

(Continued)

##### Other income

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

##### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

##### Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

#### 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

##### Charitable activities

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



# THE WEST GRANTHAM ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1 Accounting policies

(Continued)

##### 1.5 Tangible fixed assets and depreciation

Assets costing £1,000 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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Freehold property	2% or 10% straight line
Long leasehold property	In accordance with the property lease
Computer equipment	33% straight line
Fixtures, fittings & equipment	20% straight line
Motor vehicles	20% straight line

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 Liabilities

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

##### 1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

##### 1.8 Financial instruments

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

# THE WEST GRANTHAM ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1 Accounting policies

(Continued)

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### 1.9 Taxation

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

#### 1.10 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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

# THE WEST GRANTHAM ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1 Accounting policies

(Continued)

The LGPS is a multi-employer funded scheme and the assets are held separately from those of the 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.

##### 1.11 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 and Skills Funding Agency/Department for Education.

#### 2 Critical accounting estimates and areas of judgement

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

##### Critical accounting estimates and assumptions

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

# THE WEST GRANTHAM ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 2 Critical accounting estimates and areas of judgement

(Continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in Note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

For 2018-2019 there have been some specific issues which have impacted on the actuarial assumptions and closing pension scheme liability of all LGPS employers:

(1) The “McCloud / Sargeant Judgement”. This relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements. Actuarial evidence suggested that the impact of making an allowance for this judgement would be material, and so the Trust asked the actuary to make an allowance for this in the figures. In order to quantify the constructive obligation the actuary has made calculations using an approximate approach. One critical assumption under this method is that salaries will increase at least CPO plus 1.5%. Further, the approximate approach does not take into account the specific age profile of the employer’s pension scheme members.

The impact of this has been to increase the constructive obligation as at 31 August 2019 by £39,000, which has been reflected as a past service cost, within staff costs. There will also be an increase in the cost of benefits from 1 September 2019.

(2) Guaranteed Minimum Pension (GMP). GMP is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs between genders is required. As a result of an on-going debate on how this impacts on public service pension schemes, there has been national debate about the point at which a past service cost is triggered. Briefing notes provided by the actuary indicated that a “trigger event” is yet to occur for the LGPS and so no allowance has been made for GMP in the LGPS liability included within these financial statements. It is, in any case, considered likely that any impact would be immaterial.

(3) Discount rates. There has been a change in financial assumptions over the period, including the discount rate. The discount rate has been reduced significantly which has resulted in a less positive balance sheet position than if the discount rate at the start of the period had been used. The impact comes through as part of the actuarial movement shown on the Statement of Financial Activities.

(4) Mortality Assumptions. Details of changes in mortality assumptions are shown in note 19. The actuary calculations use a model prepared by the Continuous Mortality Investigation (CMI) which is updated on an annual basis, incorporating the latest mortality data in the national population. This year the mortality assumptions use an updated CMI model which now anticipates a significant reduction in projected life expectancies. The lower life expectancy assumptions result in a more positive balance sheet position than if the mortality rates at the start of the period had been used, and the impact comes through as part of the actuarial movement shown on the Statement of Financial Activities.

# THE WEST GRANTHAM ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	54,501	54,501	792,310
Other donations	3,171	-	3,171	847
	<u>3,171</u>	<u>54,501</u>	<u>57,672</u>	<u>793,157</u>

The income from donations and capital grants was £57,672 (2018: £793,157) of which £3,171 was unrestricted (2018: £847) and £54,501 was restricted (2018: £792,310)

#### 4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	3,990,376	3,990,376	4,374,809
Other DfE group grants	-	515,604	515,604	502,644
	<u>-</u>	<u>4,505,980</u>	<u>4,505,980</u>	<u>4,877,453</u>
<b>Other government grants</b>				
Local authority grants	-	96,293	96,293	92,648
Special educational projects	-	5,800	5,800	11,800
	<u>-</u>	<u>102,093</u>	<u>102,093</u>	<u>104,448</u>
<b>Total funding</b>	<u>-</u>	<u>4,608,073</u>	<u>4,608,073</u>	<u>4,981,901</u>

The income from funding for educational operations was £4,608,073 (2018: £4,981,901) of which £4,608,473 was restricted (2018: £4,981,901).

# THE WEST GRANTHAM ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Catering income	-	935	935	1,224
Other income	20,004	325	20,329	50,505
	<u>20,004</u>	<u>1,260</u>	<u>21,264</u>	<u>51,729</u>

The income from other trading activities was £21,264 (2018: £51,729) of which £20,004 was unrestricted (2018: £37,259) and £1,260 was restricted (2018: £14,470).

#### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Short term deposits	3,176	-	3,176	11,996
	<u>3,176</u>	<u>-</u>	<u>3,176</u>	<u>11,996</u>

The income from funding for investment income was £3,176 (2018: £11,996) of which £3,176 was unrestricted (2018: £11,996).

#### 7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2019 £	Total 2018 £
Academy's educational operations					
- Direct costs	3,076,353	-	328,020	3,404,373	3,320,737
- Allocated support costs	1,184,456	731,522	589,116	2,505,094	2,528,340
	<u>4,260,809</u>	<u>731,522</u>	<u>917,136</u>	<u>5,909,467</u>	<u>5,849,077</u>

The expenditure on raising funds in the year was £5,909,467 (2018: £5,849,077) of which £47,520 was unrestricted (2018: £5,093) and £5,861,947 was restricted (2018: £5,843,984).

**THE WEST GRANTHAM ACADEMIES TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**7 Expenditure (Continued)**

<b>Net income/(expenditure) for the year includes:</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Fees payable to auditor for:		
- Audit	12,500	10,700
- Other services	1,680	1,800
Operating lease rentals	44,786	52,265
Depreciation of tangible fixed assets	382,048	318,154

**8 Charitable activities**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>2019</b>	<b>2018</b>
			<b>£</b>	<b>£</b>
<b>Direct costs</b>				
Educational operations	-	3,404,373	3,404,373	3,320,737
<b>Support costs</b>				
Educational operations	47,520	2,457,574	2,505,094	2,528,340
	<u>47,520</u>	<u>5,861,947</u>	<u>5,909,467</u>	<u>5,849,077</u>

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Analysis of support costs</b>		
Support staff costs	1,184,456	1,368,546
Depreciation	382,048	318,154
Technology costs	77,137	67,035
Premises costs	349,474	333,907
Other support costs	447,459	417,694
Governance costs	64,520	23,004
	<u>2,505,094</u>	<u>2,528,340</u>

The expenditure on educational operations was £5,909,467 (2018: £5,849,077) of which £47,520 was unrestricted (2018: £5,093), £5,479,899 was restricted (2018: £5,525,830) and £382,048 was restricted fixed assets (2018: £318,154).

# THE WEST GRANTHAM ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 9 Staff

##### Staff costs

Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	2,966,470	3,001,149
Social security costs	264,876	269,229
Pension costs	721,035	779,414
Amounts paid to employees	3,952,381	4,049,792
Agency staff costs	295,740	197,110
Staff restructuring costs	12,688	-
Amounts paid to staff	4,260,809	4,246,902
Staff development and other staff costs	56,338	38,917
Total staff expenditure	4,317,147	4,285,819
Staff restructuring costs comprise:		
Severance payments	12,688	-

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

Included in staff restructuring costs are non-statutory severance payments totalling £12,688 (2018: £nil).

##### Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2019 Number	2018 Number
Teachers	45	41
Administration and support	96	104
Management	6	9
	147	154



# THE WEST GRANTHAM ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 9 Staff

(Continued)

##### Higher paid staff

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

	2019 Number	2018 Number
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1
	=====	=====

##### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £434,887 (2018: £465,113).

In addition, a number of the senior leadership team were supplied to the Trust under a service level agreement with Archway Learning Trust at a cost of £127,000.

#### 10 Central services

The academy trust has provided the following central services to its academies during the year:

- Trust management;
- Financial services;
- Educational support services

The Academy charges for these services on the following basis:

- 60% (2018: 60%) - The West Grantham Academy St Hugh's
- 40% (2018: 40%) - The West Grantham Academy St John's

In addition to the above, the provision of additional services are recharged to the relevant Academy on an individual basis.

This percentage has been based on an approximation of the relative amounts of General Annual Grant each Academy receives. Where possible, charges are split on receipt of invoice.

# THE WEST GRANTHAM ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 10 Central services

(Continued)

The amounts charged during the year were as follows:

	2019	2018
	£	£
The West Grantham Academy St Hugh's	188,201	197,001
The West Grantham Academy St John's	125,467	131,332
	<u>313,668</u>	<u>328,333</u>

#### 11 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

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

L Hulse (staff trustee)

Remuneration £40,000 - £45,000 (2018: £40,000 - £45,000)

Employer's pension contributions paid £5,000 - £10,000 (2018: £5,000 - £10,000)

N Smyth (staff trustee)

Remuneration £40,000 - £45,000 (2018: £40,000 - £45,000)

Employers pension contributions paid £5,000 - £10,000 (2018: £5,000 - £10,000)

During the period ended 31 August 2019, expenses totalling £nil were reimbursed or paid directly to trustees (2018: £321 to 2 trustees).

#### 12 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £2,723 (2018: £1,292). The cost of this insurance is included in the total insurance cost.

**THE WEST GRANTHAM ACADEMIES TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**13 Tangible fixed assets**

	<b>Freehold property</b>	<b>Long leasehold property</b>	<b>Computer equipment</b>	<b>Fixtures, fittings &amp; equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>						
At 1 September 2018	3,741,481	10,390,514	708,990	465,909	17,595	15,324,489
Additions	9,694	20,738	21,130	134,913	-	186,475
Disposals	-	-	-	-	(13,100)	(13,100)
At 31 August 2019	3,751,175	10,411,252	730,120	600,822	4,495	15,497,864
<b>Depreciation</b>						
At 1 September 2018	310,393	909,666	686,429	265,415	16,846	2,188,749
On disposals	-	-	-	-	(13,100)	(13,100)
Charge for the year	96,721	210,539	16,556	57,483	749	382,048
At 31 August 2019	407,114	1,120,205	702,985	322,898	4,495	2,557,697
<b>Net book value</b>						
At 31 August 2019	3,344,061	9,291,047	27,135	277,924	-	12,940,167
At 31 August 2018	3,431,088	9,480,848	22,561	200,494	749	13,135,740

Included in land and buildings is freehold land at valuation of £1,576,500 (2018: £1,576,500) which is not depreciated.

The property classified as freehold property relates to St Hugh's playing field, the former caretakers house at St Hugh's and St John's upper site.

The properties held under 125-year lease arrangements are St Hugh's buildings, car park and tennis courts, St John's lower site buildings, car park and playground and St John's lower playing field.

Freehold and long leasehold property additions do not include the acquisition of land and buildings or a leasehold on land and buildings.

<b>14 Debtors</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade debtors	4,596	4,375
Other debtors	46,294	65,114
Prepayments and accrued income	130,323	187,746
	181,213	257,235

**THE WEST GRANTHAM ACADEMIES TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

<b>15 Creditors: amounts falling due within one year</b>	<b>2019 £</b>	<b>2018 £</b>
Trade creditors	208,179	305,434
Other taxation and social security	93,352	100,784
Other creditors	23,464	25,480
Accruals and deferred income	125,877	105,621
	<u>450,872</u>	<u>537,319</u>
	<u><u>450,872</u></u>	<u><u>537,319</u></u>
 <b>16 Deferred income</b>	 <b>2019 £</b>	 <b>2018 £</b>
Deferred income is included within:		
Creditors due within one year	31,401	40,078
	<u>31,401</u>	<u>40,078</u>
	<u><u>31,401</u></u>	<u><u>40,078</u></u>
 Deferred income at 1 September 2018	 40,078	 323,377
Released from previous years	(40,078)	(323,377)
Resources deferred in the year	31,401	40,078
	<u>31,401</u>	<u>40,078</u>
<b>Deferred income at 31 August 2019</b>	<b>31,401</b>	<b>40,078</b>
	<u><u>31,401</u></u>	<u><u>40,078</u></u>

At the balance sheet date the academy trust held funds received in advance for Rates Relief and Universal Infant Free School Meals.

**THE WEST GRANTHAM ACADEMIES TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**17 Funds**

	<b>Balance at 1 September 2018 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains, losses and transfers £</b>	<b>Balance at 31 August 2019 £</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	718,232	3,990,376	(4,571,942)	(121,356)	15,310
Other DfE / ESFA grants	67,608	515,604	(515,604)	-	67,608
Other government grants	742,415	102,093	(102,093)	-	742,415
Other restricted funds	415,246	1,260	(1,260)	-	415,246
Pension reserve	(1,590,000)	-	(289,000)	(1,214,000)	(3,093,000)
	<u>353,501</u>	<u>4,609,333</u>	<u>(5,479,899)</u>	<u>(1,335,356)</u>	<u>(1,852,421)</u>
<b>Restricted fixed asset funds</b>					
Tangible fixed assets	<u>13,146,358</u>	<u>54,501</u>	<u>(382,048)</u>	<u>121,356</u>	<u>12,940,167</u>
<b>Total restricted funds</b>	<u>13,499,859</u>	<u>4,663,834</u>	<u>(5,861,947)</u>	<u>(1,214,000)</u>	<u>11,087,746</u>
<b>Unrestricted funds</b>					
General funds	<u>249,592</u>	<u>26,351</u>	<u>(47,520)</u>	<u>-</u>	<u>228,423</u>
<b>Total funds</b>	<u>13,749,451</u>	<u>4,690,185</u>	<u>(5,909,467)</u>	<u>(1,214,000)</u>	<u>11,316,169</u>

# THE WEST GRANTHAM ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 17 Funds

(Continued)

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

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

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

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

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

Other capital grants are provided by the academy based on specific bids for individual projects.

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

In the year ended 31 August 2019 expenditure has been matched to income within the different grants in restricted general funds. The balancing figure has been offset against the General Annual Grant fund.

The deficit on the pension reserve of £3,093,000 arises from the actuarial measurement of the Academy's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of the employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of the service cost rather than employer contributions paid, and amounts to £424,000. The trust also pays an additional contribution of £11,000 per annum. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund, the movement this year being a net £1,214,000 actuarial increase in the net pension fund deficit.

Restricted fixed asset funds represent monies received in respect of, and spent on, fixed assets. This includes assets inherited on conversion. The total of resources expended within this fund is the depreciation charge for the year along with any loss incurred on disposal.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

**THE WEST GRANTHAM ACADEMIES TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**17 Funds**

**(Continued)**

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

	<b>Balance at 1 September 2017 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains, losses and transfers £</b>	<b>Balance at 31 August 2018 £</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	1,270,366	4,374,809	(4,661,256)	(265,687)	718,232
Other DfE / ESFA grants	48,397	502,644	(483,433)	-	67,608
Other government grants	648,734	104,448	(10,767)	-	742,415
Other restricted funds	427,150	14,470	(26,374)	-	415,246
Pension reserve	(2,037,000)	-	(344,000)	791,000	(1,590,000)
	<u>357,647</u>	<u>4,996,371</u>	<u>(5,525,830)</u>	<u>525,313</u>	<u>353,501</u>
<b>Restricted fixed asset funds</b>					
Tangible fixed assets	<u>12,406,515</u>	<u>792,310</u>	<u>(318,154)</u>	<u>265,687</u>	<u>13,146,358</u>
<b>Total restricted funds</b>	<u>12,764,162</u>	<u>5,788,681</u>	<u>(5,843,984)</u>	<u>791,000</u>	<u>13,499,859</u>
<b>Unrestricted funds</b>					
General funds	<u>204,584</u>	<u>50,102</u>	<u>(5,093)</u>	<u>-</u>	<u>249,593</u>
<b>Total funds</b>	<u>12,968,746</u>	<u>5,838,783</u>	<u>(5,849,077)</u>	<u>791,000</u>	<u>13,749,452</u>

**THE WEST GRANTHAM ACADEMIES TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**17 Funds**

**(Continued)**

**Total funds analysis by academy**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Fund balances at 31 August 2019 were allocated as follows:		
The West Grantham Academy St Hugh's	1,061,625	1,673,592
The West Grantham Academy St John's	407,377	519,502
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	1,469,002	2,193,094
	<hr/>	<hr/>
Restricted fixed asset fund	12,940,167	13,146,358
Pension reserve	(3,093,000)	(1,590,000)
	<hr/>	<hr/>
Total funds	<u>11,316,169</u>	<u>13,749,452</u>



**THE WEST GRANTHAM ACADEMIES TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**17 Funds**

**(Continued)**

**Total cost analysis by academy**

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	<b>Total 2019</b>	<b>Total 2018</b>
	£	£	£	£	£	£
The West Grantham Academy St Hugh's	2,007,529	587,639	200,742	839,083	3,634,993	3,516,813
The West Grantham Academy St John's	1,365,411	356,566	59,806	424,311	2,206,094	2,342,350
	<u>3,372,940</u>	<u>944,205</u>	<u>260,548</u>	<u>1,263,394</u>	<u>5,841,087</u>	<u>5,859,163</u>

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	<b>Total 2018</b>
	£	£	£	£	£
The West Grantham Academy St Hugh's	1,652,310	839,916	280,789	743,798	3,516,813
The West Grantham Academy St John's	1,264,963	528,630	122,585	426,172	2,342,350
	<u>2,917,273</u>	<u>1,368,546</u>	<u>403,374</u>	<u>1,169,970</u>	<u>5,859,163</u>

# THE WEST GRANTHAM ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	-	-	12,940,167	12,940,167
Current assets	228,423	1,691,451	-	1,919,874
Creditors falling due within one year	-	(450,872)	-	(450,872)
Defined benefit pension liability	-	(3,093,000)	-	(3,093,000)
<b>Total net assets</b>	<b>228,423</b>	<b>(1,852,421)</b>	<b>12,940,167</b>	<b>11,316,169</b>

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	13,135,740	13,135,740
Current assets	249,593	2,491,438	-	2,741,031
Creditors falling due within one year	-	(537,319)	-	(537,319)
Defined benefit pension liability	-	(1,590,000)	-	(1,590,000)
<b>Total net assets</b>	<b>249,593</b>	<b>364,119</b>	<b>13,135,740</b>	<b>13,749,452</b>

#### 19 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 Lincolnshire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £55,981 (2018: £59,026) were payable to the schemes at 31 August 2019 and are included within creditors.

# THE WEST GRANTHAM ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 19 Pension and similar obligations

(Continued)

##### 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 full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

###### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

The employer's pension costs paid to the TPS in the period amounted to £270,092 (2018: £251,198).

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

# THE WEST GRANTHAM ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 19 Pension and similar obligations

(Continued)

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 18.6% for employers and 7.4 to 11.7% 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.

The Trust has also entered into an agreement with Lincolnshire County Council to make additional contributions to normal funding levels. Due to this agreement, additional annual contributions of £11,000 will be made for the next three years.

Total contributions made	2019 £	2018 £
Employer's contributions	221,000	250,000
Employees' contributions	67,000	77,000
	<hr/>	<hr/>
Total contributions	288,000	327,000
	<hr/>	<hr/>

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	2.7	2.8
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8
Commutation of pensions to lump sums	50	50
	<hr/>	<hr/>

# THE WEST GRANTHAM ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 19 Pension and similar obligations

(Continued)

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

	2019 Years	2018 Years
Retiring today		
- Males	21.2	22.1
- Females	23.5	24.4
Retiring in 20 years		
- Males	22.5	24.4
- Females	25.2	26.6

Scheme liabilities would have been affected by changes in assumptions as follows:

#### The academy trust's share of the assets in the scheme

	2019 Fair value £	2018 Fair value £
Equities	4,269,000	3,881,000
Bonds	936,000	798,000
Property	585,000	585,000
Other assets	58,000	53,000
Total market value of assets	5,848,000	5,317,000

The actual return on scheme assets was £330,000 (2018: £380,000).

#### Amount recognised in the Statement of Financial Activities

	2019 £	2018 £
Current service cost	424,000	539,000
Past service cost	39,000	-
Interest income	(152,000)	(120,000)
Interest cost	199,000	175,000
Total operating charge	510,000	594,000

**THE WEST GRANTHAM ACADEMIES TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**19 Pension and similar obligations**

**(Continued)**

<b>Changes in the present value of defined benefit obligations</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
At 1 September 2018	6,907,000	6,721,000
Current service cost	424,000	539,000
Interest cost	199,000	175,000
Employee contributions	67,000	77,000
Actuarial loss/(gain)	1,392,000	(531,000)
Benefits paid	(87,000)	(74,000)
Past service cost	39,000	-
	<hr/>	<hr/>
At 31 August 2019	8,941,000	6,907,000
	<hr/>	<hr/>

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
At 1 September 2018	5,317,000	4,684,000
Interest income	152,000	120,000
Actuarial gain	178,000	260,000
Employer contributions	221,000	250,000
Employee contributions	67,000	77,000
Benefits paid	(87,000)	(74,000)
	<hr/>	<hr/>
At 31 August 2019	5,848,000	5,317,000
	<hr/>	<hr/>

**THE WEST GRANTHAM ACADEMIES TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**20 Reconciliation of net expenditure to net cash flow from operating activities**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Net expenditure for the reporting period (as per the statement of financial activities)	(1,219,282)	(10,294)
Adjusted for:		
Capital grants from DfE and other capital income	(54,501)	(792,310)
Investment income receivable	(3,176)	(11,996)
Defined benefit pension costs less contributions payable	242,000	289,000
Defined benefit pension scheme finance cost	47,000	55,000
Depreciation of tangible fixed assets	382,048	318,154
Decrease/(increase) in debtors	76,022	(76,173)
(Decrease) in creditors	(86,448)	(428,153)
<b>Net cash used in operating activities</b>	<b>(616,337)</b>	<b>(656,772)</b>

**21 Commitments under operating leases**

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Amounts due within one year	11,649	79,872
Amounts due in two and five years	7,230	17,603
	<b>18,879</b>	<b>97,475</b>

**22 Capital commitments**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Expenditure contracted for but not provided in the accounts	64,388	25,103

# THE WEST GRANTHAM ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### **23 Related party transactions**

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook (AFH), including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

Lincoln Diocesan Board of Education (member) - a company in which trustees C Edwards (resigned 11 March 2019) and J Robb had an interest- expenditure of £1,957 (2018: £4,510) in relation to training and religious educational support services. There was also a £9,000 rent donation during the year. £Nil (2018: £510) was owed to the Lincoln Diocesan Board of Education at 31 August 2019. The current chair, J Waters-Dewhurst, is an officer of the Lincoln Diocesan Board of Education.

Grantham College (a member of the trust) - expenditure of £20,200 (2018: £650) in relation to educational services for alternative provision placements and careers advice. No amounts were owed to or from Grantham College at 31 August 2019 or 31 August 2018.

Harlaxton C of E Primary School - a school in which trustee C Edwards was a governor- expenditure of £6,900 (2018: £3,300) in relation to support services. £Nil (2018: £Nil) was owed at 31 August 2019.

Archway Learning Trust- several members of the senior leadership team were supplied to the Trust under an agreement with Archway Learning Trust at a cost of £127,000. £63,000 (2018: £Nil) was owed to Archway Learning Trust at 31 August 2019 (2018: £Nil).

During the year, discussions were entered into with Archway Learning Trust with a view to The West Grantham Academy Trust schools joining Archway Learning Trust in September 2019. This transfer did not take place.

In entering into these transactions, other than the matter set out in the Statement of Regularity, Propriety and Compliance (page 17) and the Assurance Report on Regularity (page 23), the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

#### **24 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.