

Company Registration No. 07489113 (England and Wales)

THE WEST GRANTHAM ACADEMIES TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE PERIOD ENDED 31 DECEMBER 2020



THE WEST GRANTHAM ACADEMIES TRUST

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THE WEST GRANTHAM ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

The Lincoln Diocesan Board of Education
The Children's Centre Leader of Swingbridge Children's Centre
(ex officio Member)
The Principal and Executive of Grantham College (ex officio
Member)

Trustees

M Adnitt (Chair of Trustees)
S Ellam
A Child
G Morton (Parent)
A Wood
J Greaves
A Kidd (Staff)
M Fowle (Interim Chief Executive Officer)

Senior management team

- Interim Chief Executive Officer and Acting Accounting Officer	M Fowle
- School Improvement Director	C Barber
- Interim Headteacher Primary	M Hunt
- Deputy Headteacher Secondary	K Kuffour
- Assistant Headteacher Primary	N Smyth
- Interim Assistant Headteacher Secondary	W Martini
- Interim Assistant Headteacher Secondary	G Mole
- Interim Assistant Headteacher Secondary	S Thornton
- Trust Primary/Secondary SENCO	E Davison
- Deputy Headteacher Primary	N Woolerton

Company secretary

J Swatton

Company registration number

07489113 (England and Wales)

Registered office

The Avenue
Dysart Road
Grantham
Lincolnshire
NG31 7PX

THE WEST GRANTHAM ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

UHY Hacker Young
14 Park Row
Nottingham
NG1 6GR

Bankers

Lloyds Bank Plc
Old Market Square
Nottingham
NG1 6FD

Solicitors

Lee, Bolton, Monier, Williams
1 The Sanctuary Westminster
London
SW1P 3JT

THE WEST GRANTHAM ACADEMIES TRUST

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2020

The Trustees present their annual report together with the accounts and auditor's report of the charitable company for the period 1 September 2020 to 31 December 2020. 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 The Trust which operates two academies for pupils aged 3 to 16 serving a catchment area in Grantham. Bluecoat Meres Academy has a pupil capacity of 625 and a roll of 324 in the Autumn 2020 school census. Bluecoat Meres Primary Academy has a pupil capacity of 420 and had a roll of 311 in the Autumn 2020 school census.

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 period, 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 2 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.

THE WEST GRANTHAM ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees depends on their existing experience. Induction will provide training on charity and educational legal and financial matters. All new Trustees take part in an induction process to include 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.

Organisational structure

The structure consists of three levels: 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.

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 Trustees, Interim CEO and Interim Headteacher Primary. These leaders control the Trust at an executive level implementing the policies laid down by the Trustees and reporting back to them. The Interim CEO 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.

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 PERIOD ENDED 31 DECEMBER 2020

Arrangements for setting pay and remuneration of key management personnel

The Board 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 Board 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 Board 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 Board 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 PERIOD ENDED 31 DECEMBER 2020

There is an agreement for sharing the maintenance of the access road between Ambergate Specialist Sports College and Bluecoat Meres Primary upper site.

The Trust has links with the Lincolnshire Learning Partnership, Teach First, and through the School Direct Training programme it maintains links with other establishments where the trainees may have second placements.

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 foregoing 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.

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.

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit'.

THE WEST GRANTHAM ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

Strategic report

Achievements and performance

The Trust is in its eleventh year of operation and forecast numbers of students are set as per PAN. The total number of students on roll as at the Autumn 2020 census was as follows:

Bluecoat Meres Academy	324
Bluecoat Meres Primary Academy (including Nursery)	311

Bluecoat Meres Academy

Examination results for 2020 were completed through teacher assessments as advised by the DfE and following a robust moderation process they produced our best ever outcomes. Based on 2019 methodology the average P8 per student in all subjects was -0.19, in English -0.4, Maths -0.2, EBACC element -0.1 and in the open element -0.2. The highest performing subjects grade 4+ were Biology, Chemistry and Physics 88.2%, in English 56%, Maths 44%. In other subjects, PE achieved 66% and Art 54%. An Ofsted monitoring visit took place in November 2020 which considered the provision that the Academy was offering during the period of the Covid Pandemic. It reported that there were no concerns regarding the provision that was being offered.

Bluecoat Meres Primary Academy

All assessments for the end of the year in 2020 were teacher assessments. They were supported by results of the NFER tests taken in November and February in years 1 – 6 and the use of past SATs papers in years 2 and 6. The EYFS assessments were moderated within school. Recorded outcomes were based on whether the children were working at or above the expected level when school closed and projected to the end of the school year.

The percentage of children achieving a good level of development at the end of Foundation Stage was 60.9%, below both Lincolnshire (65.5%) and National (70%) although this outcome demonstrated considerable progress from a very low baseline on admission.

The Phonics screening at year 1 did not take place due to school closure and the children will be screened this term in year 2.

At KS1, the results were: Reading: 59%, Writing 56% and Mathematics 69%. The percentage of children attaining the age expected standard in Reading, Writing and Mathematics was 56% compared with 45% in 2019. Although these figures are well below the National Average there was improvement in children working above the expected standard, particularly in reading 23% compared with 12% in 2019.

The tables check in Year 4 did not take place this year due to school closure.

Attainment at KS2 was also below the national average figures in all three areas: Reading: 64%, Writing 58% and Mathematics 55%. This is a significant rise in Reading from 38% in 2019, with 25% working above expected compared with 10% in 2019. However, in Maths, children working at expected standard reduced from 65% in 2019 but those working above the expected standard increased from 10% in 2019 to 22% in 2020. An Ofsted monitoring visit took place in October 2020 which considered the provision that the Academy was offering during the period of the Covid Pandemic. It reported that there were no concerns regarding the provision that was being offered.

THE WEST GRANTHAM ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

Key performance indicators

The Academy Improvement Plans for 2019/20, written by the Interim CEO, outlined a review and costing of the curriculum for secondary and primary as a KPI for achieving a balanced budget. The review was undertaken by the new senior leadership team and Trustees and involved a full consultation with all staff. Savings were identified and a balanced budget has been achieved at the primary academy with significant reductions in the deficit at the secondary academy within the next two years. Both academies successfully put in place a new school day during the Autumn term in response to the Covid-19 outbreak. This increased the amount of learning time for all children whilst maintaining a broad and balanced curriculum offer and enabled a catch-up programme to begin. Full risk assessments and new health and safety protocols were also put in place. The impact of this work was recognised by Ofsted in their interim visits to both academies in the autumn term.

Going concern

The West Grantham Academies Trust is no longer a going concern. With effect from 1 January 2021 the academies within the Trust have transferred to the Diocese of Southwell and Nottingham Multi-Academy Trust. The trust is now therefore dormant and had no assets or liabilities as at 1 January 2021. Whilst these financial statements are, therefore, prepared on the basis that the Trust is not a going concern, this has had no significant impact on the financial statements. The trustees intend to dissolve the academy trust as soon as is practically possible.

THE WEST GRANTHAM ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

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. 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 period ended 31 December 2020 total income was £1,630,527 and expenditure was £1,787,214, leading to a net deficit of £156,687. When depreciation, capital grants and local government pension scheme adjustments are excluded, the surplus is £95,361 (2020: deficit £359,896).

The pension reserve held within restricted funds was in deficit by £5,055,000 at 31 December 2020 (2020: £3,505,000). This does not mean an immediate liability for this amount crystallises. The deficit position will result in a cash flow effect for the academy trust in the form of employer's pension contributions assessed by the actuary. The trust also pays an additional contribution of £14,000 per annum. At 1 January 2021 the liabilities of the Trust transferred to SNMAT.

At 31 December 2020, the net book value of fixed assets was £12,499,251 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. At 1 January 2021 the fixed assets of the Trust transferred to SNMAT.

Taking into account the surplus brought forward from last year, the Trust has an accumulated reserves carried forward of £8,464,352 (2020: £10,066,039). The balance on restricted general funds, excluding pension reserve, plus unrestricted fund at 31 December 2020 was £1,020,101 compared to £943,368 at 31 August 2020. The movement of £76,733 includes the surplus of £95,361 and the transfer to the fixed asset fund of £18,628. On 1 January 2021, the assets of the Trust transferred to SNMAT.

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 £773,000. 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 £1,020,101 (2020: £943,368). At 1 January 2021 the assets of the trust transferred to SNMAT.

THE WEST GRANTHAM ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

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 Bluecoat Meres Academy 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.

Bluecoat Meres Academy and Bluecoat Meres Primary Academy were judged 'inadequate' at their last inspections. The Trust is at risk and has been recommended to join another Trust and the academies are anticipated to transfer to The Diocese of Southwell and Nottingham Multi-Academy Trust (SNMAT) in 2021. During the Autumn term a successful 'Due Diligence' process was completed with SNMAT and the DfE approved the transfer to SNMAT from 1 January 2021.

Fundraising

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

Plans for future periods

On 1 January 2021 the assets and liabilities were transferred to SNMAT and the trust is now dormant. The trust will be dissolved as soon as is practically possible.

Funds held as custodian trustee on behalf of others

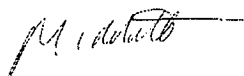
The Trust does not act as custodian trustee on behalf of another charity.

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.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 30 March 2021 and signed on its behalf by:



M Adnitt

Chair of Trustees

THE WEST GRANTHAM ACADEMIES TRUST

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2020

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.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Interim Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The 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.

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 3 times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
M Adnitt (Chair of Trustees)	3	3
S Ellam	3	3
A Child	3	3
G Morton (Parent)	3	3
A Wood	3	3
J Greaves	3	3
A Kidd (Staff)	3	3
M Fowle (Interim Chief Executive Officer)	3	3

Due to the pending transfer to the Diocese of Southwell and Nottingham Multi Academy Trust (SNMAT) the DfE has approved that vacancies on the Board not be filled as the Board will convert to an Interim Advisory Board at the point of transfer.

The Board made the decision to not appoint an Audit and Finance Committee and rather plan and monitor the financial and other resources of the school effectively and to ensure the schools provide a safe educational environment. One of the Board's responsibilities is routine budget setting and monitoring.

THE WEST GRANTHAM ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

Governance reviews

A governance review was not carried out during this period. The current Board was created following the withdrawal in December 2019 of the Archway Trust taking over the West Grantham Academies Trust.

As a result of that action, in late 2019 there was been a fundamental overhaul of the director posts with 7 new directors brought in with specific skills in curriculum development, finance, governance and management.

This overhaul included the appointment of the Interim Accounting Officer. He has performed a critical role in challenging historic practices, investigating and rectifying legacy areas of concern and transforming the Trust's educational and financial management arrangements. He is deserving of every commendation for these efforts.

Given the strengthening of the Board and Executive with skilled professionals this negated any requirement for a governance review.

Board meetings have been held regularly and the Board has discharged its responsibilities to ensure robust governance and effective management arrangements.

The **staff committee** is a sub-committee of the main board of trustees. Its purpose is to oversee, monitor and approve the staffing restructure at Bluecoat Meres Academy. The Staff Committee consisted of A Child, A Wood and J Greaves.

Attendance at meetings in the period was as follows:

Trustees	Meetings attended	Out of possible
A Child	1	1
A Wood	1	1
J Greaves	1	1

THE WEST GRANTHAM ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

Review of value for money

As accounting officer, the Interim Chief Executive Officer has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The 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 accounting officer for the academy trust has delivered improved value for money during the year by:

- Reductions in all areas of expenditure within the academy budget
- Not replacing staff as they leave
- Complete staffing review at primary and secondary
- Curriculum reviews at primary and secondary
- Interim CEO only to approve expenditure
- Board of Trustees monitor and scrutinise all expenditure at regular meetings and identified potential savings to be made

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.

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 2020 to 31 December 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2020 to 31 December 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

THE WEST GRANTHAM ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

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;
- identification and management of risks.

The Board did not appoint any internal auditors as the transfer to SNMAT was initially scheduled for 1 November 2020. In addition, SNMAT carried out full and thorough financial due diligence procedures.

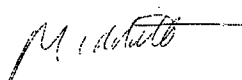
Review of effectiveness

As accounting officer, the Interim Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

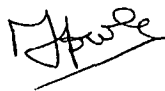
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Board 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 30 March 2021 and signed on its behalf by:



M Adnitt
Chair of Trustees



M Fowle
Acting Accounting Officer

THE WEST GRANTHAM ACADEMIES TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE PERIOD ENDED 31 DECEMBER 2020

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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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 2020.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.



M Fowle
Acting Accounting Officer

30 March 2021

THE WEST GRANTHAM ACADEMIES TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE PERIOD ENDED 31 DECEMBER 2020

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 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare 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:

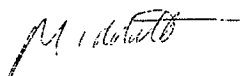
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 30 March 2021 and signed on its behalf by:



M Adnitt
Chair of Trustees

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WEST GRANTHAM
ACADEMIES TRUST
FOR THE PERIOD ENDED 31 DECEMBER 2020**

Opinion

We have audited the accounts of The West Grantham Academies Trust for the period ended 31 December 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and 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 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have 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 2019 and the Academies Accounts Direction 2019 to 2020.

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.

Emphasis of matter - Going Concern

We draw attention to Note 1 to the financial statements which explains that the Trust Schools were transferred to the Diocese of Southwell and Nottingham Multi-Academy Trust (SNMAT) on 1 January 2021 and therefore the Trustees do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 1. The net assets of the trust were transferred at their net book value to SNMAT on 1 January 2021 and the company is now dormant and will be wound up. Our opinion is not modified in respect of this matter.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WEST GRANTHAM
ACADEMIES TRUST (CONTINUED)**
FOR THE PERIOD ENDED 31 DECEMBER 2020

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 period for which the accounts are prepared is consistent with the accounts; and
- the Trustees' report including the incorporated strategic report has 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 PERIOD ENDED 31 DECEMBER 2020

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the charitable company, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the charitable company's net income for the year.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, review of correspondence with legal advisors and enquiries of management, and testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WEST GRANTHAM
ACADEMIES TRUST (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2020**

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements 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 M Searby

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

30 April 2021

**Chartered Accountants
Statutory Auditor**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO THE WEST GRANTHAM ACADEMIES TRUST AND THE
EDUCATION AND SKILLS FUNDING AGENCY
FOR THE PERIOD ENDED 31 DECEMBER 2020**

In accordance with the terms of our engagement letter dated 7 March 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The West Grantham Academies Trust during the period 1 September 2020 to 31 December 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The 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 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO THE WEST GRANTHAM ACADEMIES TRUST AND THE
EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2020**

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

The 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, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 December 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Hacker Young

Reporting Accountant

UHY Hacker Young
14 Park Row
Nottingham
NG1 6GR

Dated: 30 April 2021

THE WEST GRANTHAM ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2020

		Unrestricted Funds	Restricted funds: General Fixed asset		Total Period ended 31 December 2020	Total Year ended 31 August 2020
	Notes	£	£	£	£	£
Income and endowments from:						
Donations and capital grants	3	800	-	(10,618)	(9,818)	74,934
Charitable activities:						
- Funding for educational operations	4	-	1,638,465	-	1,638,465	4,788,609
Other trading activities	5	1,494	338	-	1,832	11,877
Investments	6	48	-	-	48	686
Total		2,342	1,638,803	(10,618)	1,630,527	4,876,106
Expenditure on:						
Charitable activities:						
- Educational operations	9	-	1,650,784	136,430	1,787,214	5,966,948
Total	7	-	1,650,784	136,430	1,787,214	5,966,948
Net income/(expenditure)		2,342	(11,981)	(147,048)	(156,687)	(1,090,842)
Transfers between funds	18	-	(18,628)	18,628	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	20	-	(1,445,000)	-	(1,445,000)	(18,000)
Net movement in funds		2,342	(1,475,609)	(128,420)	(1,601,687)	(1,108,842)
Reconciliation of funds						
Total funds brought forward		238,273	(2,799,905)	12,627,671	10,066,039	11,174,881
Total funds carried forward		240,615	(4,275,514)	12,499,251	8,464,352	10,066,039

THE WEST GRANTHAM ACADEMIES TRUST

**STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

FOR THE PERIOD ENDED 31 DECEMBER 2020

Comparative period information Year ended 31 August 2020		Unrestricted Funds	Restricted funds:		Total Year ended 31 August 2020
	Notes	£	General	Fixed asset	£
Income and endowments from:					
Donations and capital grants	3	3,217	-	71,717	74,934
Charitable activities:					
- Funding for educational operations	4	-	4,788,609	-	4,788,609
Other trading activities	5	5,947	5,930	-	11,877
Investments	6	686	-	-	686
Total		<u>9,850</u>	<u>4,794,539</u>	<u>71,717</u>	<u>4,876,106</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	-	5,558,285	408,663	5,966,948
Total	7	<u>-</u>	<u>5,558,285</u>	<u>408,663</u>	<u>5,966,948</u>
Net income/(expenditure)		9,850	(763,746)	(336,946)	(1,090,842)
Transfers between funds	18	-	(24,450)	24,450	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	20	-	(18,000)	-	(18,000)
Net movement in funds		9,850	(806,196)	(312,496)	(1,108,842)
Reconciliation of funds					
Total funds brought forward		228,423	(1,993,709)	12,940,167	11,174,881
Total funds carried forward		<u>238,273</u>	<u>(2,799,905)</u>	<u>12,627,671</u>	<u>10,066,039</u>

THE WEST GRANTHAM ACADEMIES TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2020

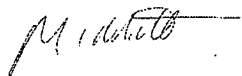
		Period ended 31 December 2020		Year ended 31 August 2020	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		12,499,251		12,627,671
Current assets					
Debtors	14	167,952		174,003	
Cash at bank and in hand		1,210,654		1,383,092	
		<u>1,378,606</u>		<u>1,557,095</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(267,677)		(512,807)	
Net current assets			<u>1,110,929</u>		<u>1,044,288</u>
Total assets less current liabilities			<u>13,610,180</u>		<u>13,671,959</u>
Creditors: amounts falling due after more than one year	16		(90,828)		(100,920)
Net assets before defined benefit pension scheme liability			<u>13,519,352</u>		<u>13,571,039</u>
Defined benefit pension scheme liability	20		(5,055,000)		(3,505,000)
Total net assets			<u><u>8,464,352</u></u>		<u><u>10,066,039</u></u>
Funds of the Academy Trust:					
Restricted funds	18				
- Fixed asset funds			12,499,251		12,627,671
- Restricted income funds			779,486		705,095
- Pension reserve			(5,055,000)		(3,505,000)
Total restricted funds			<u>8,223,737</u>		<u>9,827,766</u>
Unrestricted income funds	18		<u>240,615</u>		<u>238,273</u>
Total funds			<u><u>8,464,352</u></u>		<u><u>10,066,039</u></u>

THE WEST GRANTHAM ACADEMIES TRUST

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2020

The accounts on pages 23 to 54 were approved by the Trustees and authorised for issue on 30 March 2021 and are signed on their behalf by:



M Adnitt
Chair of Trustees

Company Number 07489113

THE WEST GRANTHAM ACADEMIES TRUST

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2020

		Period ended 31 December 2020		Year ended 31 August 2020	
	Notes	£	£	£	£
Cash flows from operating activities					
Net cash used in operating activities	21		(143,766)		(311,621)
Cash flows from investing activities					
Dividends, interest and rents from investments		48		686	
Capital grants from DfE Group		(10,618)		71,717	
Purchase of tangible fixed assets		(8,010)		(96,167)	
Net cash used in investing activities			(18,580)		(23,764)
Cash flows from financing activities					
Repayment of long term bank loan		(10,092)		(20,184)	
Net cash used in financing activities			(10,092)		(20,184)
Net decrease in cash and cash equivalents in the reporting period			(172,438)		(355,569)
Cash and cash equivalents at beginning of the year			1,383,092		1,738,661
Cash and cash equivalents at end of the year			<u>1,210,654</u>		<u>1,383,092</u>

THE WEST GRANTHAM ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2020

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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

These accounts have been prepared for the period 1 September 2020 to 31 December 2020 which is a period of less than twelve months. Academy trusts are required by the Education & Skills Funding Agency to report annually to 31 August and the Academy Trust is not permitted under the Companies Act 2006 to extend its accounting reference date to more than eighteen months but it may shorten it.

1.2 Going concern

The West Grantham Academies Trust is no longer a going concern. With effect from 1 January 2021 the academies within the Trust have transferred to the Diocese of Southwell and Nottingham Multi-Academy Trust. The trust is now therefore dormant and had no assets or liabilities as at 1 January 2021. Whilst these financial statements are, therefore, prepared on the basis that the Trust is not a going concern, this has had no significant impact on the financial statements. The trustees intend to dissolve the academy trust as soon as is practically possible.

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.

THE WEST GRANTHAM ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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.

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.

THE WEST GRANTHAM ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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.

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.

THE WEST GRANTHAM ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.7 Leased assets

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

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.

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 PERIOD ENDED 31 DECEMBER 2020

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 PERIOD ENDED 31 DECEMBER 2020

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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 December 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds	Restricted funds	Total Period ended 31 December 2020	Total Year ended 31 August 2020
	£	£	£	£
Capital grants	-	(10,618)	(10,618)	71,717
Other donations	800	-	800	3,217
	<u>800</u>	<u>(10,618)</u>	<u>(9,818)</u>	<u>74,934</u>

The income from donations and capital grants was (£9,818) (2020: £74,934) of which £800 was unrestricted (2020: £3,217) and (£10,618) was restricted (2020: £71,717)

THE WEST GRANTHAM ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

4 Funding for the Academy Trust's educational operations

	Unrestricted funds	Restricted funds	Total Period ended 31 December 2020	Total Year ended 31 August 2020
	£	£	£	£
DfE / ESFA grants				
General annual grant (GAG)	-	1,321,672	1,321,672	3,998,890
Other DfE group grants	-	225,389	225,389	663,723
	-	1,547,061	1,547,061	4,662,613
Other government grants				
Local authority grants	-	90,774	90,774	112,650
Special educational projects	-	630	630	13,346
	-	91,404	91,404	125,996
Total funding	-	1,638,465	1,638,465	4,788,609

The income from funding for educational operations was £1,638,465 (2020: £4,788,609) of which £1,638,465 was restricted (2020: £4,788,609).

5 Other trading activities

	Unrestricted funds	Restricted funds	Total Period ended 31 December 2020	Total Year ended 31 August 2020
	£	£	£	£
Catering income	-	338	338	3,480
Other income	1,494	-	1,494	8,397
	1,494	338	1,832	11,877

The income from other trading activities was £1,832 (2020: £11,877) of which £1,494 was unrestricted (2020: £5,947) and £338 was restricted (2020: £5,930).

THE WEST GRANTHAM ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

6 Investment income

	Unrestricted funds	Restricted funds	Total Period ended 31 December 2020	Total Year ended 31 August 2020
	£	£	£	£
Short term deposits	48	-	48	686

The income from funding for investment income was £48 (2020: £686) of which £48 was unrestricted (2020: £686).

7 Expenditure

	Staff costs	Non Pay Premises	Expenditure Other	Total Period ended 31 December 2020	Total Year ended 31 August 2020
	£	£	£	£	£
Academy's educational operations					
- Direct costs	978,589	-	49,027	1,027,616	3,379,654
- Allocated support costs	397,224	219,935	142,439	759,598	2,587,294
	<u>1,375,813</u>	<u>219,935</u>	<u>191,466</u>	<u>1,787,214</u>	<u>5,966,948</u>

The expenditure on charitable activities in the year was £1,787,214 (2020: £5,966,948) of which £nil was unrestricted (2020: £nil) and £1,787,214 was restricted (2020: £5,966,948).

Net income/(expenditure) for the period includes:

	Period ended 31 December 2020	Year ended 31 August 2020
	£	£
Fees payable to auditor for audit services	12,000	13,100
Operating lease rentals	4,545	28,460
Depreciation of tangible fixed assets	135,319	408,663
Loss on disposal of fixed assets	1,111	-

THE WEST GRANTHAM ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

8 Central services

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

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

The Academy charges for these services on the following basis:

- 50% (2020: 60%) - Bluecoat Meres Academy
- 50% (2020: 40%) - Bluecoat Meres Primary Academy

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 amounts charged during the period were as follows:

	Period ended 31 December 2020 £	Year ended 31 August 2020 £
Bluecoat Meres Academy	63,528	395,891
Bluecoat Meres Primary Academy	63,528	212,847
	<u>127,056</u>	<u>608,738</u>

9 Charitable activities

	Period ended 31 December 2020 £	Year ended 31 August 2020 £
All from restricted funds:		
Direct costs		
Educational operations	1,027,616	3,379,654
Support costs		
Educational operations	759,598	2,587,294
	<u>1,787,214</u>	<u>5,966,948</u>

THE WEST GRANTHAM ACADEMIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2020**

9 Charitable activities

(Continued)

	Period ended 31 December 2020 £	Year ended 31 August 2020 £
Analysis of support costs		
Support staff costs	397,224	1,374,306
Depreciation	136,430	408,663
Technology costs	20,186	67,340
Premises costs	83,505	214,522
Legal costs	19,298	188,375
Other support costs	99,155	320,238
Governance costs	3,800	13,850
	<u>759,598</u>	<u>2,587,294</u>

The expenditure on educational operations was £1,787,214 (2020 £5,966,948) of which £nil was unrestricted (2020: £nil), £1,650,785 was restricted (2020: £5,558,285) and £136,429 was restricted fixed assets (2020: £408,663).

THE WEST GRANTHAM ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2020

10 Staff

Staff costs

Staff costs during the period were:

	Period ended 31 December 2020 £	Year ended 31 August 2020 £
Wages and salaries	872,301	2,878,257
Social security costs	72,762	250,411
Pension costs	268,193	907,073
Amounts paid to employees	1,213,256	4,035,741
Agency staff costs	137,041	226,628
Staff restructuring costs	1,959	217,665
Amounts paid to staff	1,352,256	4,480,034
Staff development and other staff costs	23,557	52,176
Total staff expenditure	1,375,813	4,532,210

Staff restructuring costs comprise:

Redundancy payments	1,959	175,003
Severance payments	-	42,662
	1,959	217,665

Staff numbers

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

	Period ended 31 December 2020 Number	Year ended 31 August 2020 Number
Teachers	31	38
Administration and support	76	96
Management	7	8
	114	142

THE WEST GRANTHAM ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

10 Staff

(Continued)

Higher paid staff

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

	Period ended 31 December 2020 Number	Year ended 31 August 2020 Number
£70,001 - £80,000	-	2

There are no employees whose remuneration exceeds £60,000 in the current 4 month period to 31 December 2020.

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 £252,800 (2020: £615,772).

In the prior year 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 £207,371.

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 Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher 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:

M Fowle (Interim Chief Executive Officer)

Remuneration £25,000 - £30,000 (2020: £65,000 - £70,000)

Employer's pension contributions paid £nil (2020: £nil)

L Hulse (staff trustee, resigned 17 May 2020)

Remuneration £nil - £5,000 (2020: £30,000 - £35,000)

Employers pension contributions paid £nil - £5,000 (2020: £5,000 - £10,000)

A Kidd (staff trustee)

Remuneration £5,000 - £10,000 (2020: £15,000 - £20,000)

Employers pension contributions paid £nil - £5,000 (2020: £nil - £5,000)

During the period ended 31 December 2020, expenses totalling £nil were reimbursed or paid directly to trustees (2020: £Nil to trustees).

THE WEST GRANTHAM ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

12 Insurance for Trustees and officers

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

13 Tangible fixed assets

	Freehold property	Long leasehold property	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2020	3,751,175	10,414,372	732,167	688,760	4,495	15,590,969
Additions	-	-	-	8,010	-	8,010
Disposals	-	-	-	(2,467)	-	(2,467)
At 31 December 2020	3,751,175	10,414,372	732,167	694,303	4,495	15,596,512
Depreciation						
At 1 September 2020	504,239	1,332,255	716,440	405,869	4,495	2,963,298
On disposals	-	-	-	(1,356)	-	(1,356)
Charge for the period	32,369	70,724	5,338	26,888	-	135,319
At 31 December 2020	536,608	1,402,979	721,778	431,401	4,495	3,097,261
Net book value						
At 31 December 2020	3,214,567	9,011,393	10,389	262,902	-	12,499,251
At 31 August 2020	3,246,936	9,082,117	15,727	282,891	-	12,627,671

Included in land and buildings is freehold land at valuation of £1,576,500 (2020: £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.

Included within leasehold property is the St John's site children's centre. The West Grantham Academies Trust is not a party to the lease but occupies the property under a right to use basis and consequently the property is included within the financial statements.

THE WEST GRANTHAM ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2020

14 Debtors

	Period ended 31 December 2020 £	Year ended 31 August 2020 £
Other debtors	9,199	20,542
Prepayments and accrued income	158,753	153,461
	<u>167,952</u>	<u>174,003</u>

15 Creditors: amounts falling due within one year

	Period ended 31 December 2020 £	Year ended 31 August 2020 £
Government loans	20,184	20,184
Trade creditors	5,508	99,372
Other taxation and social security	94,636	99,423
Other creditors	23,458	25,596
Accruals and deferred income	123,891	268,232
	<u>267,677</u>	<u>512,807</u>

16 Creditors: amounts falling due after more than one year

	Period ended 31 December 2020 £	Year ended 31 August 2020 £
Government loans	<u>90,828</u>	<u>100,920</u>

THE WEST GRANTHAM ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

16 Creditors: amounts falling due after more than one year (Continued)

	Period ended 31 December 2020 £	Year ended 31 August 2020 £
Analysis of loans		
Wholly repayable within five years	111,012	121,104
Less: included in current liabilities	(20,184)	(20,184)
	<u>90,828</u>	<u>100,920</u>
Amounts included above	<u>90,828</u>	<u>100,920</u>

Included within government loans is a Salix loan of £111,012 (2020: £121,104). The Salix loan will be recovered through abatement of part of the Trust's General Annual Grant (GAG).

The loan will be repaid through a twice-yearly reduction in the Trust's GAG funding, and is based on expectations of future energy and maintenance savings secured as a result of the capital investment.

The Trust can cancel the Salix loan and pay back the Salix loan at an earlier date than the loan period by notifying the Department in writing. There will be no charge or penalty for early repayment.

17 Deferred income

	Period ended 31 December 2020 £	Year ended 31 August 2020 £
Deferred income is included within:		
Creditors due within one year	62,757	22,074
	<u>62,757</u>	<u>22,074</u>
Deferred income at 1 September 2020	22,074	40,078
Released from previous years	(22,074)	(40,078)
Resources deferred in the period	62,757	22,074
	<u>62,757</u>	<u>22,074</u>
Deferred income at 31 December 2020	<u>62,757</u>	<u>22,074</u>

At the balance sheet date the academy trust held funds received in advance for Rates Relief, Universal Infant Free School Meals, Teachers Pay awards, Teachers Pension, PE grants and CIF funding.

THE WEST GRANTHAM ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

18 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 December 2020 £
Restricted general funds					
General Annual Grant (GAG)	292,280	1,321,672	(1,228,794)	(18,628)	366,530
Other DfE / ESFA grants	-	225,389	(225,389)	-	-
Other government grants	-	91,404	(91,404)	-	-
Other restricted funds	412,815	338	(197)	-	412,956
Pension reserve	(3,505,000)	-	(105,000)	(1,445,000)	(5,055,000)
	<u>(2,799,905)</u>	<u>1,638,803</u>	<u>(1,650,784)</u>	<u>(1,463,628)</u>	<u>(4,275,514)</u>
Restricted fixed asset funds					
Tangible fixed assets	12,627,671	(10,618)	(136,430)	18,628	12,499,251
	<u>12,627,671</u>	<u>(10,618)</u>	<u>(136,430)</u>	<u>18,628</u>	<u>12,499,251</u>
Total restricted funds	<u>9,827,766</u>	<u>1,628,185</u>	<u>(1,787,214)</u>	<u>(1,445,000)</u>	<u>8,223,737</u>
Unrestricted funds					
General funds	238,273	2,342	-	-	240,615
	<u>238,273</u>	<u>2,342</u>	<u>-</u>	<u>-</u>	<u>240,615</u>
Total funds	<u>10,066,039</u>	<u>1,630,527</u>	<u>(1,787,214)</u>	<u>(1,445,000)</u>	<u>8,464,352</u>

THE WEST GRANTHAM ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

18 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 period ended 31 December 2020 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 pension reserve held within restricted funds was in deficit by £5,055,000 at 31 December 2020 (2020: £3,505,000). This does not mean an immediate liability for this amount crystallises. The deficit position will result in a cash flow effect for the academy trust in the form of employer's pension contributions assessed by the actuary. The trust also pays an additional contribution of £14,000 per annum.

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 December 2020.

THE WEST GRANTHAM ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2020

18 Funds

(Continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	684,045	3,998,890	(4,366,205)	(24,450)	292,280
Other DfE / ESFA grants	-	663,723	(663,723)	-	-
Other government grants	-	125,996	(125,996)	-	-
Other restricted funds	415,246	5,930	(8,361)	-	412,815
Pension reserve	(3,093,000)	-	(394,000)	(18,000)	(3,505,000)
	<u>(1,993,709)</u>	<u>4,794,539</u>	<u>(5,558,285)</u>	<u>(42,450)</u>	<u>(2,799,905)</u>
Restricted fixed asset funds					
Tangible fixed assets	<u>12,940,167</u>	<u>71,717</u>	<u>(408,663)</u>	<u>24,450</u>	<u>12,627,671</u>
Total restricted funds	<u>10,946,458</u>	<u>4,866,256</u>	<u>(5,966,948)</u>	<u>(18,000)</u>	<u>9,827,766</u>
Unrestricted funds					
General funds	<u>228,423</u>	<u>9,850</u>	<u>-</u>	<u>-</u>	<u>238,273</u>
Total funds	<u>11,174,881</u>	<u>4,876,106</u>	<u>(5,966,948)</u>	<u>(18,000)</u>	<u>10,066,039</u>

THE WEST GRANTHAM ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2020

18 Funds

(Continued)

Total funds analysis by academy

	31 December 2020	31 August 2020
	£	£
Fund balances at 31 December 2020 were allocated as follows:		
Bluecoat Meres Academy	717,108	656,779
Bluecoat Meres Primary Academy	302,993	286,589
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	1,020,101	943,368
Restricted fixed asset fund	12,499,251	12,627,671
Pension reserve	(5,055,000)	(3,505,000)
	<hr/>	<hr/>
Total funds	8,464,352	10,066,039
	<hr/>	<hr/>

THE WEST GRANTHAM ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2020

18 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	Total 2020	Total 2020
	£	£	£	£	£	£
Bluecoat Meres Academy	522,800	263,044	24,732	208,077	1,018,653	3,813,422
Bluecoat Meres Primary Academy	455,789	134,180	24,098	146,231	760,298	2,353,601
	<u>978,589</u>	<u>397,224</u>	<u>48,830</u>	<u>354,308</u>	<u>1,778,951</u>	<u>6,167,023</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	Total 2020
	£	£	£	£	£
Bluecoat Meres Academy	1,834,184	890,662	122,050	966,526	3,813,422
Bluecoat Meres Primary Academy	1,323,719	483,645	91,340	454,897	2,353,601
	<u>3,157,903</u>	<u>1,374,307</u>	<u>213,390</u>	<u>1,421,423</u>	<u>6,167,023</u>

THE WEST GRANTHAM ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 December 2020 are represented by:				
Tangible fixed assets	-	-	12,499,251	12,499,251
Current assets	240,615	1,137,991	-	1,378,606
Creditors falling due within one year	-	(267,677)	-	(267,677)
Creditors falling due after one year	-	(90,828)	-	(90,828)
Defined benefit pension liability	-	(5,055,000)	-	(5,055,000)
Total net assets	240,615	(4,275,514)	12,499,251	8,464,352

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	12,627,671	12,627,671
Current assets	238,273	1,318,822	-	1,557,095
Creditors falling due within one year	-	(512,807)	-	(512,807)
Creditors falling due after one year	-	(100,920)	-	(100,920)
Defined benefit pension liability	-	(3,505,000)	-	(3,505,000)
Total net assets	238,273	(2,799,905)	12,627,671	10,066,039

20 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 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £60,540 (Year ended 31 August 2020: £63,795) were payable to the schemes at 31 December 2020 and are included within creditors.

THE WEST GRANTHAM ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

20 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 teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to the TPS in the period amounted to £107,361 (2020: £339,172).

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

Under the definitions set out in FRS 102, the TPS is 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 20.2% for employers and 5.5 to 12.5% for employees.

THE WEST GRANTHAM ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

20 Pension and similar obligations

(Continued)

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 £14,000 will be made for the next two years.

Total contributions made	Period ended 31 December 2020 £	Year ended 31 August 2020 £
Employer's contributions	89,000	291,000
Employees' contributions	22,000	72,000
Total contributions	111,000	363,000

Principal actuarial assumptions	Period ended 31 December 2020 %	Year ended 31 August 2020 %
Rate of increase in salaries	2.8	2.5
Rate of increase for pensions in payment/inflation	2.5	2.2
Discount rate for scheme liabilities	1.3	1.7
Commutation of pensions to lump sums	50	50

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

	Period ended 31 December 2020 Years	Year ended 31 August 2020 Years
Retiring today		
- Males	21.5	21.4
- Females	23.8	23.7
Retiring in 20 years		
- Males	22.5	22.4
- Females	25.3	25.2

THE WEST GRANTHAM ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

20 Pension and similar obligations

(Continued)

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

Sensitivity analysis	Period ended 31 December 2020 £'000	Year ended 31 August 2020 £'000
0.5% decrease in Real Discount Rate	1,445	1,149
0.5% increase in the Salary Increase Rate	170	93
0.5% increase in the Pension Increase Rate	1,255	1,037

The Academy Trust's share of the assets in the scheme	Period ended 31 December 2020 Fair value £	Year ended 31 August 2020 Fair value £
Equities	4,175,000	3,877,000
Bonds	1,210,000	1,124,000
Property	605,000	562,000
Other assets	61,000	56,000
Total market value of assets	6,051,000	5,619,000

The actual return on scheme assets was £404,000 (Year ended 31 August 2020: £(508,000)).

Amount recognised in the Statement of Financial Activities	Period ended 31 December 2020 £	Year ended 31 August 2020 £
Current service cost	173,000	594,000
Past service cost	-	32,000
Interest income	(32,000)	(108,000)
Interest cost	51,000	167,000
Benefit changes, curtailments and settlements gains or losses	2,000	-
Total operating charge	194,000	685,000

THE WEST GRANTHAM ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

20 Pension and similar obligations

(Continued)

Changes in the present value of defined benefit obligations	Period ended 31 December 2020 £	Year ended 31 August 2020 £
At 1 September 2020	9,124,000	8,941,000
Current service cost	173,000	594,000
Interest cost	51,000	167,000
Employee contributions	22,000	72,000
Actuarial loss/(gain)	1,817,000	(598,000)
Benefits paid	(81,000)	(84,000)
Past service cost	-	32,000
At 31 December 2020	<u>11,106,000</u>	<u>9,124,000</u>

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

	Period ended 31 December 2020 £	Year ended 31 August 2020 £
At 1 September 2020	5,619,000	5,848,000
Interest income	32,000	108,000
Actuarial (gain)/loss	372,000	(616,000)
Employer contributions	89,000	291,000
Employee contributions	22,000	72,000
Benefits paid	(81,000)	(84,000)
Administration expenses	(2,000)	-
At 31 December 2020	<u>6,051,000</u>	<u>5,619,000</u>

THE WEST GRANTHAM ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

21 Reconciliation of net expenditure to net cash flow from operating activities

	Period ended 31 December 2020 £	Year ended 31 August 2020 £
Net expenditure for the reporting period (as per the statement of financial activities)	(156,687)	(1,090,842)
Adjusted for:		
Capital grants from DfE and other capital income	10,618	(71,717)
Investment income receivable	(48)	(686)
Defined benefit pension costs less contributions payable	86,000	335,000
Defined benefit pension scheme finance cost	19,000	59,000
Depreciation of tangible fixed assets	135,319	408,663
Loss on disposal of fixed assets	1,111	-
Decrease in debtors	6,051	7,210
(Decrease)/increase in creditors	(245,130)	41,751
Net cash used in operating activities	(143,766)	(311,621)

22 Analysis of changes in net funds

	1 September 2020 £	Cash flows	31 December 2020 £
Cash	1,383,092	(172,438)	1,210,654
Loans falling due within one year	(20,184)	-	(20,184)
Loans falling due after more than one year	(100,920)	10,092	(90,828)
	1,261,988	(162,346)	1,099,642

THE WEST GRANTHAM ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

23 Commitments under operating leases

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

	Period ended 31 December 2020	Year ended 31 August 2020
	£	£
Amounts due within one year	4,741	7,230

24 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 M Adnitt, J Robb (resigned 17 December 2019) and J Waters-Dewhurst (resigned 23 January 2020) had an interest - expenditure of £nil (2020: £1,735) in relation to training and religious educational support services. There was also a £nil rent donation during the year (2020: £9,000) as the property was vacated at 1 September 2020. £nil (2020: £nil) was owed to the Lincoln Diocesan Board of Education at 31 December 2020.

Archway Learning Trust - until 31 December 2019 several members of the senior leadership team were supplied to the Trust under an agreement with Archway Learning Trust at a cost of £nil (2020: £207,217). £nil (2020: £nil) was owed to Archway Learning Trust at 31 December 2020.

25 Post balance sheet events

On 1 January 2021, the trust transferred all of its assets, liabilities, reserves and operation to the Diocese Of Southwell And Nottingham Multi-Academy Trust. The trust is no longer an active academy trust.

26 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.