

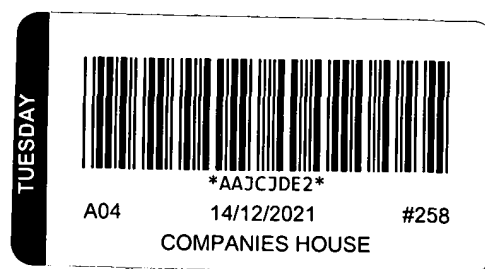
# **Bishop Wordsworth's Church of England Grammar School**

(A company limited by guarantee)

## **Eleventh Annual Report and Financial Statements**

**Year ended 31<sup>st</sup> August 2021**

Company registration number: 7525856 (England & Wales)



## **Bishop Wordsworth's Church of England Grammar School**

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## **Bishop Wordsworth's Church of England Grammar School**

### **REFERENCE AND ADMINISTRATIVE DETAILS**

#### **Members**

The Bishop of Salisbury (represented by Mr A Willis until 6<sup>th</sup> May 2021 and by Miss M J Horsburgh from 17<sup>th</sup> June 2021)

The Salisbury Diocesan Board of Education (Represented by Mrs J Ranaboldo)

The Chapter of Salisbury Cathedral (Represented by Canon E Probert)

The Chair of Governors

#### **Governors**

Miss M J Horsburgh MA(Oxon) (Chair until 14<sup>th</sup> September 2020)

Mr J Hastings (Vice Chair until 14<sup>th</sup> September 2020, Acting Chair from 14<sup>th</sup> September until 6<sup>th</sup> October 2020, Vice Chair from 6<sup>th</sup> May 2021)

Mrs J Ranaboldo LLB (Chair from 6<sup>th</sup> October 2020)

Prof A J Bell MA (Oxon) PhD (until 11<sup>th</sup> April 2021)

Mr J R B Blake\*

Dr G Branagan MS FRCS\*

Brig R A P Cary\*

Mr A Cooper (from 6<sup>th</sup> July 2021)\*

Mr J Durrant (parent governor from 6<sup>th</sup> July 2021)

Wg Cdr K G M Flynn BSc FCMA GMCA CMgr FMCI CIWFM\*

Mr M Francis-Pollin BA MSc (until 28<sup>th</sup> June 2021)

Dr S Ghauri MA MD FRCS\* (co-opted governor)

Mrs R Harwood Lincoln\*

Mrs S Hayward (until 12<sup>th</sup> November 2020)

Mr J M Oldham\* (staff governor)

Mrs L Payne (parent governor from 6<sup>th</sup> July 2021)

Canon E Probert MA BA

Mrs E Williams (staff governor from 23<sup>rd</sup> March 2021)

Mr A Willis (until 6<sup>th</sup> May 2021) (Vice Chair from 14<sup>th</sup> September 2020)

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

#### **Company Secretary**

Lieutenant Colonel D J Peerless BSc MSc (until 23<sup>rd</sup> October 2020)

Mr B L Smith (from 1<sup>st</sup> December 2020)

#### **Leadership Team**

Dr S D Smallwood PhD (Headmaster)

Mr G Lloyd MA (Deputy Headmaster, Curriculum Director, Staffing)

Mr D Brown BSc (Head of Lower School)

Mrs Z Lambard BSc (Head of Sixth Form, Designated Safeguarding Lead)

Mr B L Smith MA(Oxon), MSc, FGI (Bursar, i/c: Budget and Finance, Estate, Health & Safety, HR, Professional Support Staff, Data Protection Officer)

Mr A Harmsworth BSc (Assistant Head: Director of Assessment, Timetable)

Mrs M Jenner BSc (Head of Middle School)

Mr J Rogers BSc (Assistant Head, Performance Management & Appraisal, CP Development, i/c Initial Teacher Training)

\* Member of Finance, Audit and Risk Committee

**Bishop Wordsworth's Church of England Grammar School**

**REFERENCE AND ADMINISTRATIVE DETAILS (Continued)**

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

## Bishop Wordsworth's Church of England Grammar School

### GOVERNORS' REPORT

1. The Governors present their eleventh Annual Report together with the Financial Statements and Auditors' Report of Bishop Wordsworth's Church of England Grammar School, the charitable company, (the School) for the 12 months to 31 August 2021. The Annual Report serves the purposes of a trustees' report under charitable law and a directors' report under company law.
2. **Principal Activities.** The Trust is an academy that provides secondary education for boys from 11 to 18 years of age and for girls from 16 to 18 years of age. It had 1052 pupils on roll at the end of the 2020/21 academic year. It offers a balanced and broadly-based curriculum until the age of 16, an 'A' Level curriculum from age 16 to 18 and prepares students for external examination and subsequent entry to higher education in a wide range of academic disciplines. The majority of students is drawn predominately from Salisbury, South Wiltshire and West Hampshire. As well as academic work, the School offers an extensive and highly successful programme of extra-curricular activities for students from across the entire age range. The School is a selective school within the meaning of section 6(4) of the Academies Act 2010 and is designated with a religious character as Church of England. The Christian tradition is central to the core values of the School.

### STRUCTURE GOVERNANCE AND MANAGEMENT

3. **Constitution.** The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Trust and are part of the Funding Agreement between the Company and the Secretary of State for Education. The Governors are the directors of the Charitable Company for the purposes of company law. The charitable company operates as Bishop Wordsworth's Church of England Grammar School. Details of the Governors who served throughout the year and to the date that these accounts are approved are included in the Reference and Administrative Details on Page 1.
4. **Members.** There are four members of the Academy Trust who are specified in the Articles of Association:
  - a. The Bishop: normally represented by an individual appointed by him.
  - b. The Salisbury Diocese Board of Education: a corporate member represented by a SDBE member who is normally also a governor.
  - c. The Chapter of the Salisbury Cathedral: a corporate member represented by a Chapter member who is normally also a governor.
  - d. The current elected Chair of the Governing Body.
5. **Members' Liability.** Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

## Bishop Wordsworth's Church of England Grammar School

### GOVERNORS' REPORT (Continued)

6. **Governors.** The directors/trustees/governors are referred to as 'governors' and together form the 'Governing Body'. There are different classes of governors as described at Paragraph 8 but all have equal votes.
7. **Governors' Indemnities.** There are no qualifying third-party indemnity provisions.
8. **Appointment or Election of Governors.**
  - a. The Members appoint up to 12 governors, one of whom is required to be the Diocesan Bishop who is ex-officio and who normally appoints a representative to represent him as a Governor and a Member (Subparagraph 4.a above refers).
  - b. The Members may appoint 2 staff governors as follows (but have directed that, if possible, they be elected): a teacher, elected by the teaching staff, and a member of the support staff, elected by the support staff.
  - c. Two parent governors are elected by parents/guardians of pupils.
  - d. The Headmaster is an ex-officio governor.
  - e. The Governing Body, with the consent of the Diocesan Board of Education, may appoint up to three people as co-opted governors.
9. **Approach to Recruiting.** Members and governors recruit people normally with religious beliefs consistent with the Christian ethos of the School and with a range of experience that will benefit the School, particularly in education, law, business, finance and accounting.
10. **Induction and Training of Members and Governors.** New members and governors are given an extensive briefing on the governance of the School by the Company Secretary. This includes meeting the Headmaster and the Chair of Governors; a tour of the School; the layout of the School Website including in particular the location of the governors' section; which sections of the governors' information pack should be studied initially and what training is available and appropriate. Thereafter, the Company Secretary advises governors when relevant training courses are scheduled and advises as necessary on relevant law and procedure.
11. **Organisational Structure – Governance.** The Members meet at least once each year to hold an AGM and may hold other general meetings if necessary. Governors may also call general meetings and are invited to attend and speak but only Members may vote. The Annual General Meeting is normally held after the late Autumn Governing Body Meeting. The Governing Body meets at least once a term and the Members are invited. If there are any items for Members a general meeting is then convened. Responsibilities are as follows:
  - a. **Members.** Members are primarily responsible for the ethos of the School and therefore powers to make, or apply to the Department for Education (DfE) to make, fundamental changes to the School lie with them. For example (but not exclusively):
    - (1) Changing the Status of the School from an academy.

## Bishop Wordsworth's Church of England Grammar School

### GOVERNORS' REPORT (Continued)

- (2) Changing the status of the school from a Church of England School.
- (3) Changing the status of the School from co-educational.
- (4) Closing the School.
- (5) Changing the name of the School.
- (6) Seeking to change the Funding Agreement.
- (7) Changing the Standing Orders of the Governing Body.
- (8) Appointing and dismissing member-appointed governors except for the Bishop who is ex officio.
- (9) Determining the process by which staff governors are appointed.

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

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

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

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

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

## Bishop Wordsworth's Church of England Grammar School

### GOVERNORS' REPORT (Continued)

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

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

(4) **The Pay and Staffing Committee.** The Pay and Staffing Committee is responsible for all matters of staffing, pay and conditions of service.

The Headmaster (who is a governor and the Accounting Officer), Deputy Headmaster and Bursar are involved in the work of all these committees and act in conjunction with partnership with the Governors.

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

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

g. **Audit.** The accounts of the school are externally audited annually by Fawcetts. Further, to assist in the financial management of the School, the Governing Body has appointed the firm Fiandar Tovell LLP as the internal auditor to undertake regular reviews of financial processes and procedures. The internal auditor provides review reports to the Finance, Audit and Risk Committee every term.

12. **Minutes.** All minutes, including those of sub-committees, are available for inspection on application to the Company Secretary.

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

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

- (1) Headmaster – overall responsibility with delegated powers for running the School including staff appointments (except for the Deputy Headmaster), financial contracts up to £75,000, subject options, exclusions up to 45 days per pupil per year and teaching standards. He is also the Accounting Officer.
- (2) Deputy Headmaster – Curricular Director, staffing, oversight of examinations and day to day running of the School.
- (3) Assistant Head – Continuous Professional Development (CPD), Performance Management & Appraisal, Initial Teacher Training.
- (4) Assistant Head – Director of Assessment, timetable production.
- (5) Head of Sixth Form (and Designated Safeguarding Lead)



## Bishop Wordsworth's Church of England Grammar School

### GOVERNORS' REPORT (Continued)

- (6) Head of Lower School.
- (7) Head of Middle School.
- (8) Bursar – Budget & Finance, Estate, Health & Safety, HR, Professional Support Staff and Data Protection Officer.

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

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

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

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

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

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

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

(2) **Pastoral Organisation.** The School is divided into three sections. During the period, the Lower School comprised Years 7-8, the Middle School comprised Years 9-11 and the Upper School was Years 12-13 (the Sixth Form). The Heads of Lower and Middle School (each with assistants) each work with a tutor team with whom they meet regularly. The role of the tutor is crucial because high academic standards and pupil welfare are seen as interlinked; hence most full-time members of staff act as tutors in which role they combine the roles of pastoral carer and academic manager of the pupils in their care. Pupils in the Sixth Form are assigned an academic mentor and the Mentor Team meets regularly with the Head of Sixth Form. Supplementary pastoral support is provided by the Senior Tutor while the Special Educational Needs &

## Bishop Wordsworth's Church of England Grammar School

### GOVERNORS' REPORT (Continued)

Disabilities Co-ordinator ensures that any particular learning needs are considered and appropriate interventions made. Additionally, Sixth Form pupils mentor newly arrived pupils in Year 7. There is also a House System, which gives a vertical element to pastoral work as older pupils take on roles as House Prefects to work with boys in Years 7 and 8.

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

e. **Support Staff.** The support staff comprise the following: the School Secretary; The Bursar, the Finance Manager and finance staff; admin officers and assistants; lettings administrator; assistants to the Heads of School; student information staff, examinations office staff; admissions staff; receptionists; site management team; departmental technicians for chemistry, biology, physics, art & design and design technology; ICT Network Manager and team; catering team; cover supervisors and examination invigilators.

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

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

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

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

c. **Headmaster.** The pay progression of the Headmaster is assessed by the Pay and Staffing Committee from his performance review. The Chair of Governors and

## Bishop Wordsworth's Church of England Grammar School

### GOVERNORS' REPORT (Continued)

one other governor formally review his performance with the advice and assistance of the headmaster of an unrelated school and the review takes note of the performance against objectives which are set at the start of the year and include success criteria. Committee members will also have met the Headmaster several times during the period.

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

a. **Relevant Union Officials.**

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

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

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

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

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

d. **Paid Trade Union Activities.**

Time spent on paid trade union activities as a percentage of total paid facility time hours (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	Nil
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17. **Related Parties & Other Connected Charities and Organisations.** The School is not connected in a corporate sense with any other bodies.

### OBJECTIVES AND ACTIVITIES

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

- a. Advise and assist pupils with university entry.

## Bishop Wordsworth's Church of England Grammar School

### GOVERNORS' REPORT (Continued)

- b. Provision of careers education and guidance.
- c. Provide a broad range of extra-curricular activities and to encourage participation by pupils.
- d. Provide benefit for the local population where this does not hinder the prime aim.
- e. Work with and support other local schools to enhance educational opportunity in the local area.

19. **Objectives, Strategies and Activities.** The prime objective for the year was the continuity of provision of outstanding education to pupils with limited Government funding. The main strategy for achieving this was the continued increase in pupil numbers: an additional 32 pupil form was commenced at Year 7 in September 2017 and this increase is now working up through the year groups. In order to increase Sixth Form numbers and to provide a more balanced upper school community, girls were admitted into the Sixth Form in September 2020. Additionally, there has been continued action to improve donations and other income, in particular by maintaining and expanding the School Foundation. Finally, the Covid-related lockdown has proved extremely challenging for pupils and staff. The School was closed for face to face lessons for much of the year and Microsoft Teams became the primary tool for online teaching.

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

### STRATEGIC REPORT – ACHIEVEMENTS AND PERFORMANCE

21. **Educational Performance.** With public exams cancelled once again this year, GCSE and 'A' Level grade were determined by teachers using outcomes from a range of internal assessments sat by the students. No changes were made to these Teacher Assessed Grades (TAGs) by examination boards, though there may be a small number of changes resulting from appeals. The Department for Education (DfE) will not be publishing performance tables this year and therefore the data below are based solely on in-house calculations.

- a. **GCSE.** The Year Group was 125. This included one student who attended the hospital school (he only sat a selection of GCSEs) and one who had been re-entered for some GCSEs this year owing to medical issues last year. 76.1% of the grades were at 9-7 (an increase from 75.0% in the previous year. In the last year of GCSE exams (2019) this figure was 71.2%). 46 students (36.8%) passed all of their GCSEs at 9-7 (an increase from 26.4%. In 2019, this was 21.8%). All students gained at least 5 good (i.e. 9-4) GCSEs including Maths and English (not including the one

## Bishop Wordsworth's Church of England Grammar School

### GOVERNORS' REPORT (Continued)

student who was at the Hospital School<sup>1</sup>) and 84.7% gained at least 5 GCSEs at grade 9-7 (lower than last year's 99.2% but more in-line with 2019's 83.9%). European Baccalaureate (EBacc) entries and pass rates remain lower due to the numbers taking History iGCSE which is not an accredited DfE course (only 59 out of 125 students counted in the calculations this year). 45% passed their English Baccalaureate with a 'strong' pass' (5 or greater in English and Maths; last year 52%). The School Average EBacc point score was 6.94 (6.98 last year). Only one student did not sit a modern foreign language GCSE, apart from the two students with reduced entries.

b. **A Level.** The Year Group was 128. 84.0% were at A\*-B and 30.0% of grades at A\*. These were relatively modest increases on the CAGS from last year (83.9% and 27.2% respectively). In 2019 these were 72.9% and 21.1%, respectively. All students achieved three or more passes (A\*-E) and 75.0% achieved three or more passes at B or above (70.2% last year, 57.5% in 2019). 15 students achieved A\* in all their A Levels (11 in 2020 and 2019), with 7 of these achieving 4 A\* grades (4 in 2020). A further 46 achieved at least 3 A Levels at A\* or A (29 in 2020).

c. **University Entry.** 108 out of 126 (86%) of boys secured their first choice of university and the university entry breakdown was as follows:

Oxbridge	7
Other Russell Group	72
Other Universities	41

These numbers include university re-applicants from previous years.

d. **Gap Year.** As usual, a number of boys chose to take a gap year in 2021-22 and many of those will apply for university entry for September 2022.

(1) **Extra-curricular.** The School offers a wide variety of sports and competes against other schools, though this was somewhat curtailed this year by Covid-related restrictions. Apart from the usual sports and extra-curricular activities, there were classes or clubs for fencing, sailing, computer coding, cooking for years 7 and 12 and the School also organised a range of outdoor activities, such as a Year 7 camp at Great Yews on the Longford Estate.

22. **Investment Performance.** During the year, funds were invested in the CCLA CBF Church of England Fund which had a total return of 20.6%.

23. **Provision of Local Facilities.** During the year the following facilities were provided on repayment when not impacted by the periods of Covid-related lockdown:

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

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

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<sup>1</sup> The Medical Needs Education and Reintegration Service, known locally as the Hospital School, is an arrangement through Wiltshire Council in which a student who is unable to undertake normal schooling for a period is educated at Salisbury Hospital though remains on the sending school's roll.

## Bishop Wordsworth's Church of England Grammar School

### GOVERNORS' REPORT (Continued)

c. **Eleven Plus Familiarisation.** All 3 terms' courses of Eleven Plus Familiarisation were compressed into the summer term because of the Covid-related lockdown, although the total number of pupils taught did not fall. Children of ~~parents/guardians on state benefits were eligible for free or subsidised places in~~ order to promote social mobility.

#### 24. Key Performance Indicators.

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

(1) 72% of all grades 7 or above. Outcome: exceeded at 76.2%.

(2) 95% of all grades at 5 or above. Outcome: exceeded at 98.7%.

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

(1) 72% of all grades A\* to B. Outcome: exceeded at 84.0%.

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

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

d. **Indicator 4 – Teaching Staff.** Spend on teaching staff as a percentage of total expenditure. Outcome: 55.1% (55%).

e. **Indicator 5 – Teaching Resources.** Spend on teaching resources as a percentage of total expenditure. Outcome: 1.7% (3.0%).

f. **Indicator 6 – Administrative and Clerical Staff.** Spend on administrative and clerical staff as a percentage of total expenditure. Outcome: 8.6% (8.9%).

g. **Indicator 7 – Premises Costs.** Spend on premises (including staff costs) as a percentage of total expenditure. Outcome: 3.7% (4.6%).

25. **IT Support.** In our last report, we drew attention to the IT failure that the School had suffered at the very start of this period, which lost a full year's financial data. The response throughout the year has fallen into 4 broad areas:

a. The School's Leadership Team has compiled a comprehensive IT Strategy that has been endorsed by the Board, including a 5-year plan for governance, processes, training, hardware and software.

b. A modern cloud-based accounting package has been introduced.

c. The School's approach to risk management has been reviewed and overhauled.

d. New governors have been appointed with particular experience in risk and IT management.

26. **Going Concern.** After making appropriate enquiries, the Governing Body has a reasonable expectation that the School has adequate resources to continue to operate for the foreseeable future. The Governing Body considered the effect of Covid and expects

## Bishop Wordsworth's Church of England Grammar School

### GOVERNORS' REPORT (Continued)

that the financial effects will continue to diminish during 2021-22 as the economy recovers. Therefore, the Governing Body continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

#### FINANCIAL REVIEW

27. The Statement of Accounts and Auditors' Report commences at Page 27. It complies with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2019).

28. **Income.** The main incoming resources were from Government educational funding which, before capital grants, totalled (previous year in brackets) £5,295k (£4,770k). Income from other trading activities was £393k (£629k), which included catering income of £114k (£164k) (gross) and facilities hire at £84k (£130k). Income from donations and private sources was £161k (£130k). The total Income in the current year was £535k more than for the previous year.

29. **Expenditure.** All expenditure was to support the provision of educational activities. The main expenditure was on staff remuneration and costs at £4,792 (£4,176k). Other significant expenditure was £428k (£416k) on depreciation; £108k (£91k) on educational supplies and consumables, £133 (£119k) on maintenance of premises and equipment; £71 (£96k) net of income for examination fees; £97k (£79k) on cleaning and £84k (£90k) on energy. Catering costs amounted to £223k creating a trading deficit of £109k, which was offset in part by £19k from the government's Coronavirus Job Retention Scheme.

30. **Deficit of Income.** Before depreciation and pension liability adjustments, expenditure exceeded income by £11k, which represents less than 0.2% of turnover. This small deficit is understandable in light of the impact of Covid.

31. **Tangible Fixed Assets.** The value of the owned and leased land and buildings at £15,434k (£15,453k) represents most of the total of Tangible Fixed Assets. This value is an insurance value only and the land and building may not be sold. Computer equipment, fixtures, fittings, other equipment and motor vehicles have a total value of £91k (£95k).

32. **Reserves.** About 86% of the Academy's income is disbursed by the Government in 12 instalments through the year on the first banking day of each month. Governors consider that an interruption to this income stream is very unlikely and that therefore no more than a reserve of one month of this income is appropriate. The remaining income (largely catering, lettings and voluntary donations) can fluctuate, and has reduced due to the Covid-related lockdown, and therefore a reserve of 3 months' income for these items is considered appropriate. The result is a target reserve of £600k, split between free reserves and CBF investments, and this target was achieved in the period, the accumulated reserves being £970k (£957k). Governors acknowledge that reserves may be adversely affected if Government funding for necessary improvements to the School site is reduced or if investment or donation income reduces.

33. **Investments.** Governors have the power to make investments. The investment policy is that any significant accumulation of funds be invested in the CCLA Investment

## Bishop Wordsworth's Church of England Grammar School

### GOVERNORS' REPORT (Continued)

Fund, a low risk income share account. Total holdings at year end were £992k (£939k). Given the limited scope for investment, it is not material for social, environmental or ethical considerations to be taken into account.

34. **Pension Liabilities.** The pension liability to the Local Government Pension Scheme was re-assessed by projecting the last actuarial valuation (for FRS 102 purposes) to 31 August 2021, which increased the deficit to £1,631k (£1,154k).

#### PRINCIPAL RISKS AND UNCERTAINTIES

35. As mentioned in paragraph 25, the School suffered a major IT failure in September 2020. With hindsight, it is believed that this could have been avoided and, as a result, governors have since conducted a comprehensive review of the School's risk management regime and have introduced a new framework. In the framework, each risk is assigned to a member of the Leadership Team, to a "link" governor and to an overseeing sub-committee of the Governing Board. There is a review schedule in which each risk is scrutinised in a given school term, some more often. The Leadership Team member and the link governor in conjunction consider whether the risk is being adequately managed making recommendations where appropriate, which are then taken to the respective sub-committee for approval or further action if necessary. Further, the whole risk matrix is reviewed annually by the Evaluation Committee to ensure that new and emerging risks are incorporated into the framework.

36. The top risks currently facing the School are:

a. **Funding.** A critical reduction of funding because of a change of government policy. In recent years, government has committed to maintaining or increasing levels of funding for the education sector. A change of policy, especially for example in order to improve public finances after the coronavirus pandemic, could see a critical reduction of funding to secondary education. Mitigation: lobbying local politicians directly and others through organisations such as ASCL; building up reserves; development of other sources of income.

b. **Selection.** Removal of selection criteria to join the School through the 11+ Examination. The character of the School and the quality of the education provided would be fundamentally changed if the selection criteria were removed. Mitigation: lobbying local politicians directly and others through organisations such as the Grammar Schools Heads Association; maintaining quality of educational output; maintaining links local schools, Salisbury Council and Mayor, Wiltshire Council and the office of the Regional Schools Commissioner

c. **Assessment.** The School is assessed to be unsatisfactory by an external body (e.g. Ofsted) because of inadequate leadership. Mitigation: performance management; continuous professional development; careful recruitment; School Development Plan to address areas of need.

d. **Insolvency.** Poor budgeting leads to insolvency either through a year on year accumulation deficit or poor management in-year leading to unmanageable short-term indebtedness. Mitigation: bi-annual review of the 3-year financial forecast;



## Bishop Wordsworth's Church of England Grammar School

### GOVERNORS' REPORT (Continued)

suitably constituted Finance, Audit and Risk Committee meeting once per term; budget oversight and approval by full governing body; suitable finance software to provide transparency; professionally qualified bursar.

e. **IT Failure.** The IT system is compromised through system failure or through malicious attack. Mitigation: back-up held in separate buildings and in the cloud; up to date security software.

f. **IT Staff.** Loss of critical staff skills in the IT department. Mitigation: contractor support for the principal systems (SIMS, Aim High, Insight etc); documentation of system setup independently verified for completeness; in principle on-call agreements with 3<sup>rd</sup> party suppliers to provide short-notice support.

g. **Poor Staff Performance.** Staff performance is poor because of inadequate teaching quality. Mitigation: robust and thorough recruitment procedures; the teacher appraisal process; the capability procedure if there are indications of underperformance.

h. **Academic Range and Quality.** Inadequate income to sustain academic range and quality. Mitigation: periodic review of costs and revenue raising ventures; accumulation of adequate reserves; 3-year financial plan.

### FUNDRAISING

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

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

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

38. Professional fundraisers are not employed.

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

### PLANS FOR FUTURE PERIODS

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

## **Bishop Wordsworth's Church of England Grammar School**

### **GOVERNORS' REPORT (Continued)**

- a. To balance income and expenditure by continuing to decrease expenditure and developing initiatives, particularly the Foundation, in order to generate additional income including the pupil increases noted below.
- b. To increase the number of pupils to 160 year by year for each year group in the Lower and Middle School by the addition of a fifth tutor group. This increase started at Year 7 in September 2017.
- c. To increase further the numbers in the Sixth Form by admitting girls for the second year. This should enable an increase the range of subjects that can be taught, improve the social and academic ethos of the Sixth Form, give more flexibility for timetabling, provide a Sixth Form for girls in Salisbury with a Christian ethos and bring in additional finance which will balance Sixth Form net expenditure better with that of the rest of the School.
- d. To drive up academic standards, quality of teaching and quality of outcomes for all pupils.
- e. To encourage more social mobility through the use of appropriate strategies to attract boys and girls who are disadvantaged by their backgrounds.
- f. To use Academy Status as a platform for developing excellence and working within funding available with other primary and secondary schools to enhance educational quality in the region.
- g. Further development of work with other schools in the areas of Continuous Professional Development and Initial Teacher Training.
- h. Further development of links with Higher Education, local community and business, and a broad range of other activities to utilise better the School's facilities during out-of-hours periods.
- i. To expand extra-curricular activities on a manageable, sustainable and affordable basis, encourage staff involvement and establish a national reputation for the School in extra-curricular provision.
- j. To continue to improve the School site.
- k. To continue to improve the quality of support and challenge for Middle School and Sixth Form pupils through mentoring and target setting in order to improve standards and results and so improve access to the most competitive institutions of higher education.
- l. To improve the robustness of the School's IT support infrastructure.

### **FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

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

### **AUDITOR**

42. In so far as the Governors are aware:

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

## Bishop Wordsworth's Church of England Grammar School

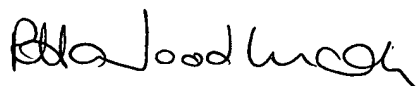
### GOVERNORS' REPORT (Continued)

b. The Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

43. It is expected that the Auditors will be reappointed by the Members for the year to 31<sup>st</sup> August 2022.

#### APPROVAL

44. This Governors' Report, incorporating a strategic report, was approved by order of the Board of Governors, as Trustees and the Company Directors, on 2<sup>nd</sup> December 2021 and signed on the Board's behalf by:



Mrs R Harwood Lincoln  
Chair of Governing Body and Academy Trust  
7<sup>th</sup> December 2021

## Bishop Wordsworth's Church of England Grammar School

### GOVERNANCE STATEMENT

#### SCOPE OF RESPONSIBILITY

45. As Governors, we acknowledge we have overall responsibility for ensuring that Bishop Wordsworth's School has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss. Additionally, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governors.

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

#### GOVERNANCE

47. The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors met six times this year (twice remotely) and retains oversight of funds via the Finance, Audit and Risk Committee and by managements reports that are sent every other month to all governors. Attendance during the year was:

Name	Number of meetings attended	Out of a possible
Mrs J Ranaboldo (Chair from 6th October 2020)	6	6
Miss M J Horsburgh (Chair until 6th October 2020)	4	6
Prof A J Bell MA (Oxon) PhD	0	4
Mr R Blake	5	6
Dr G Branagan	6	6
Brig R A P Cary	4	6
Mr A Cooper	1	1
Mr J Durrant	1	1
Mr K G M Flynn	5	6
Mr M Francis-Pollin	4	5
Dr S K Ghauri	5	6
Mrs R Harwood-Lincoln	5	6
Mr J Hastings	4	6
Mrs S Hayward	1	1
Mr J Oldham	6	6
Mrs L Payne	1	1
Canon E Probert MA BA	5	6
Dr S D Smallwood	6	6
Mrs E Williams	3	3
Mr A E Willis	4	4

## Bishop Wordsworth's Church of England Grammar School

### GOVERNORS' REPORT (Continued)

48. **Key Governor Changes.** Mr Willis resigned as the representative of the Bishop (a corporate Member) and was succeeded by Miss M J Horsburgh on 17<sup>th</sup> June 2021.

49. **Significant Challenges.** The main challenge has been maintaining the quality of teaching during the Covid-related lockdown and the cancellation of public examinations. Other work has centred around continuing to prepare the School's physical and staff structures for the year by year increase in numbers due to the Year 7 intake increase to 160 from September 2017 and the growth in Sixth Form numbers due in part to the admission of girls in September 2020.

50. **Performance of Governing Body.** The governors' meeting in May 2021 saw the culmination of the strand of work to improve the risk management regime of the School. This will involve closer engagement from governors with the Leadership Team. The Evaluation Committee has considered the overall performance of the Board and its committees and has concluded that the structure and meetings cycle are fit for purpose and that the skills and experience of the Board members are adequate.

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

52. **Finance, Audit and Risk Committee.** The Finance, Audit and Risk Committee is a sub-committee of the main Governing Body. Its purpose is to oversee all aspects of public finance including receiving reports from the auditors. The main issues were to construct a budget with very tight funding for the 2020/21 year, to monitor expenditure against budget during the year, to oversee the formulation of an IT strategy, to consider requests for out of budget expenditure and to consider recommendations by the internal auditor and implement them as appropriate. Attendance was as follows:

Name	Number of meetings attended	Out of a possible
Dr G W Branagan (chair)	5	5
Mr J R B Blake (vice chair)	3	5
Brig R A P Cary	5	5
Mr A Cooper	0	0
Mr K G M Flynn	5	5
Dr A S K Ghauri	4	5
Mrs R Harwood Lincoln	5	5
Mr J M Oldham	3	5
Dr S D Smallwood	5	5

## Bishop Wordsworth's Church of England Grammar School

### GOVERNORS' REPORT (Continued)

#### REVIEW OF VALUE FOR MONEY

53. As Accounting Officer, the Headmaster has responsibility for ensuring that the School delivers good value in the use of public resources. He understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- a. Continuing to provide a high standard of education, despite Covid-related lockdown, with a high percentage of pupils achieving excellent exam results and going on to university: see Paragraph 21.
- b. Increasing pupil numbers: see Subparagraphs 40.b and c.
- c. Maintaining extra-curricular activities available as listed at Subparagraph 21.d(1).
- d. Continuing to provide local facilities as listed at Paragraph 23.
- e. Working with and assisting local schools.

#### INTERNAL CONTROL AND RISK

55. **The Purpose of the System of Internal Control.** The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of School policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bishop Wordsworth's School for the period from 1 September 2020 to 31 August 2021 and up to the date of approval of this Annual Report and Financial Statements.

56. **Capacity to Handle Risk.** As explained in Paragraph 35, a fundamental review of how risk is to be managed in the future was conducted during the year. The methodology in which each risk is "owned" by a member of the Leadership Team, and link governor, a governors' sub-committee and ultimately the whole Governing Board will ensure that key risks are brought to the attention of the full governing body at the appropriate juncture.

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

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

## Bishop Wordsworth's Church of England Grammar School

### GOVERNORS' REPORT (Continued)

- b. Regular reviews by the Finance and Audit Committee of reports that indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- c. Settings targets to measure financial and other performance.
- d. Clearly defined purchasing (asset purchase or capital investment) guidelines.
- e. Delegation of authority and segregation of duties.
- f. Identification and management of risks.

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

- a. That the mandatory requirements of the Academies Financial Handbook were in place.
- b. That bank reconciliations were being prepared accurately, on a timely basis and were reviewed by someone independent to the bank reconciliation preparation.
- c. Credit control: a review of aged creditors to ensure suppliers were being paid on a timely basis and that there were explanations to support any long-term outstanding invoices.
- d. Aged debtors to ensure outstanding balances were recoverable and that there were explanations to support any long-term outstanding debts.
- e. A review of School trips' procedures and following a sample of transactions to finality.
- f. That the duties and controls were appropriately segregated.
- g. That online bank account and catering income was accounted for correctly.
- h. The financial software's end of period posting dates.
- i. The aged purchase ledger report.

The Internal Auditor reports to the Finance, Audit and Risk Committee at least termly on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The Chair of the Finance, Audit and Risk Committee reports any material issues identified to the Governing Body. The Internal Auditor also reports annually to the Committee a summary report outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider actions and assess year on year progress. Weaknesses identified were considered and appropriate action taken to improve the financial system.

**Bishop Wordsworth's Church of England Grammar School**

**GOVERNORS' REPORT (Continued)**

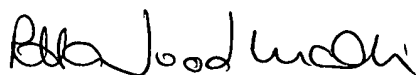
59. **Review of Effectiveness.** As Accounting Officer, the Headmaster has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- a. The work of the Internal Auditor which has also been considered by the Finance and Audit Committee
- b. The work of the external auditor.
- c. The financial management and governance self-assessment process although this was limited in the period due to the Covid-related lockdown.
- d. The work of the executive managers within the School who have responsibility for the development and maintenance of the internal control framework.

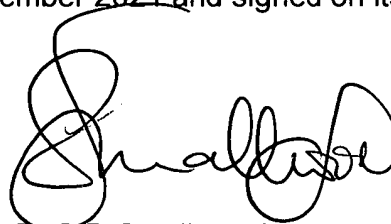
60. **Post System Review Action.** The Accounting Officer has been advised of the implications of the result of the review of the system of internal control by the Internal Auditor on behalf of the Finance and Audit Committee and a plan to address any weaknesses and ensure continuous improvement of the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

**APPROVAL**

Approved by order of the Governing Body on 2<sup>nd</sup> December 2021 and signed on its behalf by:



Mrs R Harwood Lincoln  
Chair of Governing Body and Academy Trust  
7<sup>th</sup> December 2021



Dr S D Smallwood  
Accounting Officer  
7<sup>th</sup> December 2021



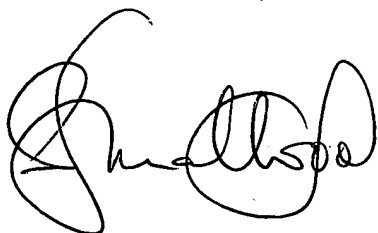
**Bishop Wordsworth's Church of England Grammar School**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

62. I confirm that I and the Academy Trust Governing Body are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's Funding Agreement and the Academies Financial Handbook 2020.

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

A handwritten signature in black ink, appearing to read 'S D Smallwood', with a stylized, cursive script.

Dr S D Smallwood  
Accounting Officer  
7<sup>th</sup> December 2021

## **Bishop Wordsworth's Church of England Grammar School**

### **STATEMENT OF GOVERNORS' RESPONSIBILITIES**

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

65. Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the governors are required to:

- a. Select suitable accounting policies and then apply them consistently.
- b. Observe the methods and principles in the Charities SORP 2020 and the Academies Accounts Direction 2020 to 2021.
- c. Make judgements and estimates that are reasonable and prudent.
- d. State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statement.
- e. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

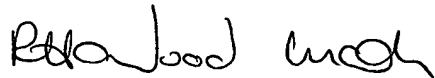
67. The Governors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

68. The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Bishop Wordsworth's Church of England Grammar School**  
**STATEMENT OF GOVERNORS' RESPONSIBILITIES (Continued)**

**APPROVAL:**

69. Approved by order of the Governing Body on 2<sup>nd</sup> December 2021 and signed on its behalf by:



Mrs R Harwood Lincoln  
Chair of Governing Body and Academy Trust  
7<sup>th</sup> December 2021

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

## **Bishop Wordsworth's Church of England Grammar School**

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

#### **Opinion**

We have audited the financial statements of Bishop Wordsworth's Church of England Grammar School (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

#### **Conclusions relating to going concern**

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

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

#### **Other information**

The governors are responsible for the other information. The other information comprises the information included in the governors' annual report, other than the financial statements and our auditor's report thereon. Other information includes the governors' report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or

## **Bishop Wordsworth's Church of England Grammar School**

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

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

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the governors' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

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

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

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

#### **Responsibilities of governors**

As explained more fully in the governors' responsibilities statement set out on page 24, the governors (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee

that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate,

## Bishop Wordsworth's Church of England Grammar School

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

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.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud.**

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

#### **Identifying and assessing potential risks related to irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations we consider the following:

- the nature of the academy sector, control environment and financial performance;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the academy's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: revenue and profit recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the academy operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Charities Act, the Academies Accounts Direction and related legislation.

#### **Audit response to risks identified**

As a result of performing the above, we identified revenue and resource recognition a key audit matter related to the potential risk of fraud. Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the rationale of any significant transactions that are unusual or outside the normal course of the academy's operations.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

**Bishop Wordsworth's Church of England Grammar School**


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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

**Use of our report**

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

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

Dated: 8 December 2011



## **Bishop Wordsworth's Church of England Grammar School**

In accordance with the terms of our engagement letter dated 23 September 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bishop Wordsworth's Academy during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Bishop Wordsworth's Academy's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2020, 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 August 2021 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 2020 to 2021 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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


The work undertaken to draw our conclusions includes:

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

## Bishop Wordsworth's Church of England Grammar School

### 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 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

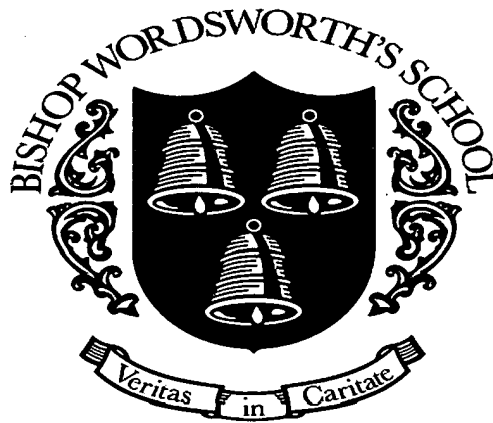


Simon Ellingham BA FCA DChA (Reporting Accountant)  
For and on behalf of Fawcetts LLP  
Chartered Accountants and Statutory Auditors  
Windover House  
St Ann Street  
Salisbury  
SP1 2DR

Dated: 8 December 2021

**Bishop Wordsworth's Church of England  
Grammar School**

(A Company Limited by Guarantee)



**Annual Report and Financial Statements  
Year ended 31 August 2021**

**Company Registration Number: 7525856 (England & Wales)**

## Bishop Wordsworth's Church of England Grammar School

### Statement of Financial Activities for the year ended 31 August 2021 (including the Income and Expenditure Account)

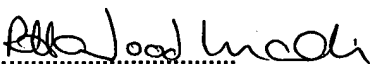
	Note	Unrestricted Funds £	Restricted General Funds £	Fixed Asset Funds £	Total 2021 £	Total 2020 £
<b>Income and endowments from:</b>						
Donations and capital grants	2	160,750	-	231,265	392,015	152,015
Charitable activities:						
Funding for the academy trust's educational operations	3	19,289	5,275,837	-	5,295,126	4,770,059
Other trading activities	4	227,361	166,117	-	393,478	628,958
Investments	5	26,898	-	-	26,898	21,833
<b>Total</b>		<u>434,298</u>	<u>5,441,954</u>	<u>231,265</u>	<u>6,107,517</u>	<u>5,572,865</u>
<b>Expenditure on:</b>						
Charitable activities:						
Academy trust educational operations	6 & 7	146,742	5,668,294	660,143	6,475,179	5,961,442
<b>Total</b>		<u>146,742</u>	<u>5,668,294</u>	<u>660,143</u>	<u>6,475,179</u>	<u>5,961,442</u>
Net gains/(losses) on investments	12	152,750	-	-	152,750	17,612
<b>Net income / (expenditure)</b>		440,306	(226,340)	(428,878)	(214,912)	(370,965)
<b>Transfers between funds</b>	16	(405,618)	-	405,618	-	-
<b>Other recognised gains / (losses):</b>						
Actuarial (losses) / gains on defined benefit pension schemes	23	-	(273,000)	-	(273,000)	(26,000)
<b>Net movement in funds</b>		34,688	(499,340)	(23,260)	(487,912)	(396,965)
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>765,971</u>	<u>(962,556)</u>	<u>15,548,774</u>	<u>15,352,189</u>	<u>15,749,154</u>
<b>Total funds carried forward</b>		<u>800,659</u>	<u>(1,461,896)</u>	<u>15,525,514</u>	<u>14,864,277</u>	<u>15,352,189</u>

# Bishop Wordsworth's Church of England Grammar School

## Balance Sheet as at 31 August 2021

		2021	2021	2020	2020
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		15,525,514		15,548,189
Investments	12		991,516		938,766
<b>Current assets</b>					
Debtors	13	77,681		68,607	
Cash at bank and in hand		<u>253,018</u>		<u>215,155</u>	
		330,699		283,762	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	14	<u>(352,452)</u>		<u>(264,528)</u>	
<b>Net current assets</b>			<u>(21,753)</u>		<u>19,234</u>
<b>Total assets less current liabilities</b>			16,495,277		16,506,189
Creditors: Amounts falling due after more than one year	15		<u>-</u>		<u>-</u>
<b>Net assets excluding pension liability</b>			16,495,277		16,506,189
Defined benefit pension scheme liability	23		<u>(1,631,000)</u>		<u>(1,154,000)</u>
<b>Total assets</b>			<u><u>14,864,277</u></u>		<u><u>15,352,189</u></u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	16	15,525,514		15,548,774	
Restricted income fund	16	169,104		191,444	
Pension reserve	16	<u>(1,631,000)</u>		<u>(1,154,000)</u>	
<b>Total restricted funds</b>			14,063,618		14,586,218
<b>Unrestricted income funds</b>	16		<u>800,659</u>		<u>765,971</u>
<b>Total funds</b>			<u><u>14,864,277</u></u>		<u><u>15,352,189</u></u>

The financial statements were approved by the trustees, and authorised for issue on ...2/12/21..... and are signed on their behalf by:



**Mrs R Harwood Lincoln**  
Chair of Governing Body and Academy Trust

Company Number: 7525856

# Bishop Wordsworth's Church of England Grammar School

## Statement of Cash Flows for the year ended 31 August 2021

	Notes	2021 £	2020 £
<b>Cash flows from operating activities:</b>			
Net cash provided by/(used in) operating activities	a	85,318	125,122
Cash flows from investing activities:			
Interest from investments		26,898	21,833
Proceeds from sale of tangible assets and investments		100,000	50,000
Purchase of property, other fixed assets and investments		(405,618)	(591,016)
Capital grants received		231,265	21,595
<b>Net cash provided by/(used in) investing activities</b>		<u>(47,455)</u>	<u>(497,588)</u>
Cash flows from financing activities:			
Repayments of borrowing		-	(2,942)
<b>Net cash provided by/(used in) financing activities</b>		<u>-</u>	<u>(2,942)</u>
<b>Change in cash and cash equivalents for the year</b>		37,863	(375,408)
Cash and cash equivalents brought forward	b	215,155	590,563
<b>Cash and cash equivalents carried forward at 31 August</b>	b	<u><u>253,018</u></u>	<u><u>215,155</u></u>

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

	2021 £	2020 £
Net income/(expenditure) for the year as per the Statement of Financial Activities	(214,912)	(370,965)
Adjusted for:		
Capital grants and similar income	(231,265)	(21,595)
Depreciation charges	428,293	415,851
Loss on disposal of tangible assets	-	-
Interest from investments	(26,898)	(21,833)
Gains/(losses) on investments	(152,750)	(17,612)
Defined benefit pension costs less contributions payable	183,000	121,000
Defined benefit pension finance costs/(income)	21,000	19,000
(Increase)/decrease in debtors	(9,074)	(22,378)
Increase/(decrease) in creditors	87,924	23,654
<b>Net cash provided by/(used in) operating activities</b>	<u><u>85,318</u></u>	<u><u>125,122</u></u>

**b) Analysis of cash and cash equivalents**

	2021 £	2020 £
Cash at bank and in hand	<u><u>253,018</u></u>	<u><u>215,155</u></u>

# Bishop Wordsworth's Church of England Grammar School

## Notes to the Financial Statements for the year ended 31 August 2021

### 1 Statement of Accounting Policies

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

#### 1.1 Basis of Preparation

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

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

#### 1.2 Going Concern

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

#### 1.3 Income

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

##### **Grants**

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

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

##### **Government grants and COVID-19**

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

# Bishop Wordsworth's Church of England Grammar School

## Notes to the Financial Statements (continued) for the year ended 31 August 2021

### 1.3 Income (continued)

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

#### *Donations*

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

#### *Other Income*

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

### 1.4 Expenditure

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

#### *Charitable Activities*

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

All resources expended are inclusive of irrecoverable VAT.

### 1.5 Tangible Fixed Assets

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

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



# Bishop Wordsworth's Church of England Grammar School

## Notes to the Financial Statements (continued) for the year ended 31 August 2021

### 1.5 Tangible Fixed Assets (continued)

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

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

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

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

### 1.6 Investments

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

### 1.7 Liabilities

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

### 1.8 Leased Assets

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

### 1.9 Financial Instruments

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

Trade and other debtors excluding prepayments are measured at amortised cost.

Cash at bank is measured at face value.

Trade creditors, accruals and other creditors are measured at amortised cost.

### 1.10 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

### 1.11 Pensions Benefits

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

# Bishop Wordsworth's Church of England Grammar School

## Notes to the Financial Statements (continued) for the year ended 31 August 2021

### 1.11 Pensions Benefits (continued)

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

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

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

### 1.12 Fund Accounting

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

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

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

### 1.13 Agency Arrangements

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

## Bishop Wordsworth's Church of England Grammar School

### Notes to the Financial Statements (continued)

for the year ended 31 August 2021

#### 2 Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Capital grants	-	231,265	231,265	21,595
Donations	160,750	-	160,750	130,420
	<u>160,750</u>	<u>231,265</u>	<u>392,015</u>	<u>152,015</u>
<i>2020 total</i>	<i>130,420</i>	<i>21,595</i>	<i>152,015</i>	

#### 3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
<b>DfE / EFA grants</b>				
General Annual Grant (GAG)	-	4,818,512	4,818,512	4,386,523
Other DfE/EFA grants	-	426,684	426,684	321,520
	<u>-</u>	<u>5,245,196</u>	<u>5,245,196</u>	<u>4,708,043</u>
<b>Other grants</b>				
Local authority grants	-	30,641	30,641	21,651
Coronavirus Job Retention Scheme	19,289	-	19,289	40,365
	<u>19,289</u>	<u>30,641</u>	<u>49,930</u>	<u>62,016</u>
	<u>19,289</u>	<u>5,275,837</u>	<u>5,295,126</u>	<u>4,770,059</u>
<i>2020 total</i>	<i>40,365</i>	<i>4,729,694</i>	<i>4,770,059</i>	

#### 4 Other Trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Hire of facilities	50,630	-	50,630	86,380
Catering income	-	114,749	114,749	163,829
Extra-curricular courses	33,802	-	33,802	43,364
Joint course income with SWGS	16,200	-	16,200	-
Examination fees income	-	16,561	16,561	9,689
Visits and trip income	108,237	-	108,237	294,028
Educational supplies and services	-	34,807	34,807	27,468
Other income	18,492	-	18,492	4,200
	<u>227,361</u>	<u>166,117</u>	<u>393,478</u>	<u>628,958</u>
<i>2020 total</i>	<i>427,972</i>	<i>200,986</i>	<i>628,958</i>	

# Bishop Wordsworth's Church of England Grammar School

## Notes to the Financial Statements (continued) for the year ended 31 August 2021

5 Investment income	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Bank interest	47	-	47	305
Investment income	26,851	-	26,851	21,528
	<u>26,898</u>	<u>-</u>	<u>26,898</u>	<u>21,833</u>
<i>2020 total</i>	21,833	-	21,833	

### 6 Expenditure

	Staff Costs £	Premises & equipment £	Other costs £	Total 2021 £	Total 2020 £
Academy's educational operations:					
Direct costs	3,921,130	-	431,155	4,352,285	3,999,198
Allocated support costs	870,868	834,393	417,633	2,122,894	1,962,244
	<u>4,791,998</u>	<u>834,393</u>	<u>848,788</u>	<u>6,475,179</u>	<u>5,961,442</u>
			note 7		
<i>2020 total</i>	4,176,403	801,571	983,468	5,961,442	

Net income/(expenditure) for the period includes:	2021 £	2020 £
Operating lease rentals	79,862	72,834
Depreciation	428,293	415,851
Loss on disposal of fixed assets	-	-
Fees payable to auditor for:		
- audit (current year)	6,500	7,000
- other services	2,500	3,000
	<u>2,500</u>	<u>3,000</u>

Included within expenditure are the following transactions:

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

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

# Bishop Wordsworth's Church of England Grammar School

## Notes to the Financial Statements (continued) for the year ended 31 August 2021

### 7 Charitable Activities - educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b>Direct costs</b>				
Teaching and educational support staff costs	-	3,901,595	3,901,595	3,399,523
Technology costs	-	87,718	87,718	82,572
Educational supplies and consumables	-	108,255	108,255	90,892
Examination fees	-	87,786	87,786	106,161
Visits, trips and clubs	103,965	-	103,965	280,144
Staff development	-	20,189	20,189	20,372
Music fees	-	-	-	-
Other direct costs	42,777	-	42,777	19,534
	<u>146,742</u>	<u>4,205,543</u>	<u>4,352,285</u>	<u>3,999,198</u>
<b>Allocated support costs</b>				
Support staff costs	-	870,868	870,868	756,509
Depreciation	-	428,293	428,293	415,851
Recruitment and support	-	9,644	9,644	8,758
Maintenance of premises and equipment	-	132,881	132,881	118,963
Cleaning	-	96,553	96,553	78,655
Energy costs	-	83,970	83,970	89,931
Rent and rates	-	87,758	87,758	90,402
Insurance	-	26,042	26,042	19,659
Security and transport	-	4,938	4,938	7,769
Catering (excluding staff costs)	-	71,473	71,473	100,098
Interest and finance costs	-	4,623	4,623	6,753
Pension service costs	-	204,000	204,000	140,000
Hirings and external courses	-	9,779	9,779	23,319
External relations	-	167	167	22,562
Other support costs	-	73,164	73,164	70,204
Governance costs	-	18,741	18,741	12,811
	<u>-</u>	<u>2,122,894</u>	<u>2,122,894</u>	<u>1,962,244</u>
	<u>146,742</u>	<u>6,328,437</u>	<u>6,475,179</u>	<u>5,961,442</u>
<i>Total 2020</i>	<i>280,144</i>	<i>5,681,298</i>	<i>5,961,442</i>	

# Bishop Wordsworth's Church of England Grammar School

## Notes to the Financial Statements (continued) for the year ended 31 August 2021

### 8 Staff

a. Staff costs	Total 2021 £	Total 2020 £
Wages and salaries	3,596,594	3,122,929
Social security costs	345,023	291,235
Operating costs of defined benefit pension schemes	827,723	729,500
	4,769,340	4,143,664
Supply teacher costs	-	12,696
Redundancy costs	2,553	-
Staff development and other staff costs	20,105	20,043
	4,791,998	4,176,403

### b. Non statutory/non contractual staff severance payments

Included in redundancy costs are non-statutory/non-contractual severance payments totalling £2,553 (2020: £nil). Individually, the payments were: £2,103, £180, £90 and £180.

### c. Staff numbers

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

	2021 No.	2020 No.
Teachers	68	60
Administration and support	51	49
Management	8	8
	127	117

### d. Higher paid staff

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

	2021 No.	2020 No.
£60,000 - £70,000	2	2
£90,001 - £100,000	1	1
	1	1

### e Key management personnel

The key management personnel of the academy trust comprise the leadership team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £673,568 (2020: £695,953).

# Bishop Wordsworth's Church of England Grammar School

## Notes to the Financial Statements(continued) for the year ended 31 August 2021

### 9 Related Party Transactions - Trustees' Remuneration and Expenses

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

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

Dr S D Smallwood PhD (Headmaster)

- . Remuneration £90,000 - £100,000 (2020: £90,000 - £100,000)
- . Employer's pension contributions paid £20,000 - £30,000 (2020: £20,000 - £30,000)

Mr J M Oldham (Staff Governor)

- . Remuneration £40,000 - £50,000 (2020: £40,000 - £50,000)
- . Employer's pension contributions paid £0 - £10,000 (2020: £0 - £10,000)

Mrs S Hayward (Staff Governor)

- . Remuneration £20,000 - £30,000 (2020: £20,000 - £30,000)
- . Employer's pension contributions paid £0 - £10,000 (2020: £0 - £10,000)

Mrs E Williams (Staff Governor - appointed 23 March 2021)

- . Remuneration £20,000 - £30,000
- . Employer's pension contributions paid £0 - £10,000

During the year ended 31 August 2021, no travel and subsistence expenses were reimbursed to trustees (2020: £nil).

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

### 10 Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2021 was not identifiable as part of the RPA arrangement (2020: RPA arrangement).

# Bishop Wordsworth's Church of England Grammar School

## Notes to the Financial Statements (continued) for the year ended 31 August 2021

### 11 Tangible Fixed Assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor Vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2020	19,133,116	72,178	120,208	57,890	19,383,392
Additions	366,107	10,520	28,991	-	405,618
Disposals	-	-	-	-	-
At 31 August 2021	<u>19,499,223</u>	<u>82,698</u>	<u>149,199</u>	<u>57,890</u>	<u>19,789,010</u>
<b>Depreciation</b>					
At 1 September 2020	3,679,814	40,512	67,933	46,944	3,835,203
Charged in year	385,148	12,407	19,793	10,945	428,293
On disposals	-	-	-	-	-
At 31 August 2021	<u>4,064,962</u>	<u>52,919</u>	<u>87,726</u>	<u>57,889</u>	<u>4,263,496</u>
<b>Net book values</b>					
At 31 August 2021	<u>15,434,261</u>	<u>29,779</u>	<u>61,473</u>	<u>1</u>	<u>15,525,514</u>
At 31 August 2020	<u>15,453,302</u>	<u>31,666</u>	<u>52,275</u>	<u>10,946</u>	<u>15,548,189</u>

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

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

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

### 12 Investments

	2021	2020
	£	£
<b>Investment funds:</b>		
Market value at 1 September 2020	938,766	471,154
Acquisitions at cost	-	500,000
Disposal proceeds	(100,000)	(50,000)
Unrealised gains/(losses) on investments	<u>152,750</u>	<u>17,612</u>
Market value at 31 August 2021	<u>991,516</u>	<u>938,766</u>
Historic cost	<u>763,776</u>	<u>850,000</u>



## Bishop Wordsworth's Church of England Grammar School

### Notes to the Financial Statements (continued) for the year ended 31 August 2021

13 Debtors	2021	2020
	£	£
Trade debtors	2,776	3,198
VAT recoverable	26,548	25,886
Other debtors	375	7,735
Prepayments and accrued income	47,982	31,788
	77,681	68,607
	77,681	68,607

14 Creditors: Amounts falling due within one year	2021	2020
	£	£
Other loans	-	-
Trade creditors	62,918	36,416
Other taxation and social security	87,066	72,359
Other creditors	55,716	38,226
Deferred income	146,752	117,527
	352,452	264,528
	352,452	264,528

Deferred income	2021	2020
	£	£
Deferred income at 1 September 2020	117,527	75,900
Released from previous years	(72,854)	(31,227)
Resources deferred in the year	102,079	72,854
Deferred Income at 31 August 2021	146,752	117,527
	146,752	117,527

At the balance sheet date the academy trust was holding funds received in advance for trips and other extra curricular activities relating to the 21-22 school year plus £38,349 for an insurance grant.

# Bishop Wordsworth's Church of England Grammar School

## Notes to the Financial Statements (continued) for the year ended 31 August 2021

### 15 Creditors: Amounts falling due in greater than one year

	2021	2020
	£	£
Other loans	-	-
	<u>          </u>	<u>          </u>
<b>Analysis of loans:</b>		
Wholly repayable within five years	-	-
Less: included in current liabilities	-	-
	<u>          </u>	<u>          </u>
Amounts falling due in more than one year	-	-
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>
<b>Loan maturity:</b>		
Debt due in one year or less	-	-
In more than one year but not more than two years	-	-
In more than two years but not more than five years	-	-
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>

# Bishop Wordsworth's Church of England Grammar School

## Notes to the Financial Statements (continued) for the year ended 31 August 2021

16 Funds	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	191,444	4,818,512	(4,840,852)	-	169,104
Other DfE/EFA grants	-	426,684	(426,684)	-	-
Other government grants	-	30,641	(30,641)	-	-
Other restricted funds	-	166,117	(166,117)	-	-
	<u>191,444</u>	<u>5,441,954</u>	<u>(5,464,294)</u>	<u>-</u>	<u>169,104</u>
Pension reserve	(1,154,000)	-	(204,000)	(273,000)	(1,631,000)
	<u>(962,556)</u>	<u>5,441,954</u>	<u>(5,668,294)</u>	<u>(273,000)</u>	<u>(1,461,896)</u>
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	585	231,265	(231,850)	-	-
Fixed assets	15,548,189	-	(428,293)	405,618	15,525,514
	<u>15,548,774</u>	<u>231,265</u>	<u>(660,143)</u>	<u>405,618</u>	<u>15,525,514</u>
<b>Total restricted funds</b>	<u><u>14,586,218</u></u>	<u><u>5,673,219</u></u>	<u><u>(6,328,437)</u></u>	<u><u>132,618</u></u>	<u><u>14,063,618</u></u>
<b>Unrestricted funds</b>					
General funds	765,971	434,298	(146,742)	(252,868)	800,659
<b>Total unrestricted funds</b>	<u><u>765,971</u></u>	<u><u>434,298</u></u>	<u><u>(146,742)</u></u>	<u><u>(252,868)</u></u>	<u><u>800,659</u></u>
<b>Total funds</b>	<u><u>15,352,189</u></u>	<u><u>6,107,517</u></u>	<u><u>(6,475,179)</u></u>	<u><u>(120,250)</u></u>	<u><u>14,864,277</u></u>

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

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

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

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

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

## Bishop Wordsworth's Church of England Grammar School

### Notes to the Financial Statements (continued) for the year ended 31 August 2021

#### 16 Funds (continued)

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

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

## Bishop Wordsworth's Church of England Grammar School

### Notes to the Financial Statements (continued) for the year ended 31 August 2021

#### 17 Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	15,525,514	15,525,514
Investments	991,516	-	-	991,516
Current assets	161,595	169,104	-	330,699
Current liabilities	(352,452)	-	-	(352,452)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(1,631,000)	-	(1,631,000)
<b>Total net assets</b>	<b>800,659</b>	<b>(1,461,896)</b>	<b>15,525,514</b>	<b>14,864,277</b>

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

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

#### 18 Capital Commitments

	2021	2020
	£	£
Contracted for, but not provided in the financial statements	-	-

There are no commitments as at 31 August 2021, nor at 31 August 2020.

# Bishop Wordsworth's Church of England Grammar School

## Notes to the Financial Statements (continued) for the year ended 31 August 2021

### 19 Commitments under operating leases

#### Operating Leases

At 31 August 2021 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	Land and buildings		Other	
	2021	2020	2021	2020
	£	£	£	£
Amounts due within one year	67,980	68,668	16,462	5,804
Amounts due between one and five years	65,417	107,683	71,357	8,805
Amounts due after five years	10,885	-	9,300	-
	<u>144,282</u>	<u>176,351</u>	<u>97,119</u>	<u>14,609</u>

### 20 Related Parties

Owing to the nature of the academy trust's operations and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which governors have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

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

### 21 Members' Liability

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

### 22 Agency Arrangements

The academy distributes 16-19 bursary funds to students as an agent for ESFA. In accounting period ending 31 August 2021 the creditor at 31 August 2020 of £17,640 was refunded to the ESFA, the trust received £7,515 (2020: £6,013) and disbursed £3,600 (2020: £2,400) from the fund. An amount of £3,915 (2020: £17,640) has been included in other creditors relating to undistributed funds that are repayable to ESFA.

# **Bishop Wordsworth's Church of England Grammar School**

## **Notes to the Financial Statements (continued) for the year ended 31 August 2021**

### **23 Pension and Similar Obligations**

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

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

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

#### **Teachers' Pension Scheme**

##### **Introduction**

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

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

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

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

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

# Bishop Wordsworth's Church of England Grammar School

## Notes to the Financial Statements (continued) for the year ended 31 August 2021

### 23 Pension and Similar Obligations (continued)

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

The pension costs paid to TPS in the period amounted to £645,139 (2020: £528,761).

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

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

#### Local Government Pension Scheme

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

<b>Contributions made</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Employer's contributions	230,000	203,000
Employees' contributions	54,000	45,000
Total normal contributions	<u>284,000</u>	<u>248,000</u>

The LGPS scheme is currently in deficit and the entity has entered into an agreement with the trustees for the Academy to make additional contributions in addition to normal funding levels. Additional contributions made in the current year amounted to £nil and for 2021/22 are estimated to be £nil.

The agreed contribution rates for future years are 26.4% for employers and 5.8% to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

<b>Principal Actuarial Assumptions</b>	<b>At 31 August 2021</b>	<b>At 31 August 2020</b>
Rate of increase in salaries	3.30%	2.70%
Rate of increase for pensions in payment/inflation	2.90%	2.30%
Discount rate for scheme liabilities	1.65%	1.70%
Inflation assumption (CPI)	2.90%	2.30%
Commutation of pensions to lump sums	50.00%	50.00%



# Bishop Wordsworth's Church of England Grammar School

## Notes to the Financial Statements (continued) for the year ended 31 August 2021

### 23 Pension and Similar Obligations (continued)

Sensitivity Analysis	Approximate % increase in employer liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2.00%	112
1 year increase in member life expectancy	4.00%	217
0.1% increase in the salary increase rate	0.00%	5
0.1% decrease in the pension increase rate	2.00%	105

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

	At 31 August 2021	At 31 August 2020
<i>Retiring today</i>		
Males	21.9	21.7
Females	24.4	24.0
<i>Retiring in 20 years</i>		
Males	22.9	22.5
Females	26.2	25.5

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

	Fair value at 31 August 2021 £	Fair value at 31 August 2020 £
Equities	2,084,500	1,782,480
Bonds	1,250,700	1,018,560
Property	416,900	381,960
Cash	37,900	-
Total market value of assets	3,790,000	3,183,000
Present value of scheme liabilities - funded	(5,421,000)	(4,337,000)
	(1,631,000)	(1,154,000)

The actual return on scheme assets was 13.1% (2020: 2.1%).

#### Amounts recognised in the statement of financial activities

	2021 £	2020 £
Current service cost (net of employer contributions)	183,000	121,000
Net interest cost	21,000	19,000
Total operating charge	204,000	140,000

# Bishop Wordsworth's Church of England Grammar School

## Notes to the Financial Statements (continued) for the year ended 31 August 2021

### 23 Pension and Similar Obligations (continued)

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

	2021	2020
	£	£
<b>At 1 September</b>	(4,337,000)	(3,938,000)
Current service cost	(413,000)	(324,000)
Past service cost	-	-
Interest cost	(77,000)	(74,000)
Employee contributions	(54,000)	(45,000)
Actuarial (gain)/loss	(648,000)	(17,000)
Benefits paid	108,000	61,000
<b>At 31 August</b>	<u>(5,421,000)</u>	<u>(4,337,000)</u>

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

	2021	2020
	£	£
<b>At 1 September</b>	3,183,000	2,950,000
Return on plan assets (excluding net interest on the net defined pension liability)	56,000	55,000
Actuarial gain/(loss)	375,000	(9,000)
Employer contributions	230,000	203,000
Employee contributions	54,000	45,000
Benefits paid	(108,000)	(61,000)
<b>At 31 August</b>	<u>3,790,000</u>	<u>3,183,000</u>