



**THE BISHOP OF
WINCHESTER ACADEMY
TRUST
(A Company Limited by Guarantee)
Company Registration Number . 07034121
(England and Wales)
Annual Report and Financial Statements
Year ended 31 August 2021**

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Year Ended 31 August 2021

REFERENCE AND ADMINISTRATIVE DETAILS

ACADEMY INFORMATION

Financial statements for the year ended 31 August 2021

Members	Rt. Rev. Deborah Sellin Rev. Mike Powis Mr Douglas Eyre Mr Alistair Brien
Members/Trustees	Rev. David Thompson * (Vice Chair)
Trustees	Mr Alan Hogg (Chair) *# Dr Karen Pendlebury Mrs Judith Appleton (appointed 22 April 2021) Mr. Roy Clayton * Rev. James Findlay * (resigned 6 July 2021) Ms Michelle Jaques (appointed 8 December 2020) Mr Paul McKeown (Principal and Accounting Officer) Mrs Mary O'Sullivan *# Dr Kate Dingley (appointed 30 September 2021) Mrs Janice Grey (resigned 23 December 2020)

* Members of the Resources Committee that have finance and audit oversight responsibility.

Members of the Finance Monitoring Group.

Academy Trust Company Secretary	Mrs Julie Tannett (resigned 20 May 2021)
Clerk to the Governors	Mr Peter Woodroffe
Internal Auditor	Mr Richard Dunford, A.C.A. (resigned 31 August 2021)

Academy Leadership Team:

Principal	Mr Paul McKeown
Vice Principal	Mrs Amanda Hooper
Deputy Vice Principal/Maths	Mrs Fay Kirby
Deputy Vice Principal/English	Mrs Simmone Lewendon
Deputy Vice Principal/Head of Sixth Form	Miss Katherine Graham
Deputy Vice Principal/Progress Leader	Mr Peter Oxborrow (resigned 18 April 2021)
Assistant Vice Principal/Progress Leader	Karen Maselino (appointed 8 February 2021)
Finance Director	Mrs Julie Tannett (resigned 20 May 2021)

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REFERENCE AND ADMINISTRATIVE DETAILS (continued)

Company Name	The Bishop of Winchester Academy Trust
Principal and Registered Office	Mallard Road Bournemouth Dorset BH8 9PW
Company Registration Number	07034121 (England and Wales) An exempt Charity
Independent Auditor	Moore (South) LLP 33 The Clarendon Centre Salisbury Business Park Dairy Meadow Lane Salisbury Wilts SP1 2TJ
Bankers	Lloyds Bank PLC PO Box 1000 Andover BX1 1LT
Solicitors	Ellis Jones 302 Charminster Road Bournemouth Dorset BH8 9RU

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GOVERNORS' REPORT

The Governors present their Annual Report together with the Financial Statements and Auditors' report of the Academy Trust for the period 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a governors' report, and a directors' report under company law.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Academy Trust's Memorandum and Articles of Association dated 2 February 2010 as amended 5 April 2011 are the primary governing documents of the Academy Trust.

The Governors act as the Trustees for the charitable activities of The Bishop of Winchester Academy Trust Limited and are also the Directors of the Academy Trust for the purposes of company law. The Academy Trust is known as the Bishop of Winchester Academy.

Details of the Governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' Liability

Each Member of the Academy Trust undertakes to contribute to the assets of the Academy Trust 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. The Academy Trust has 5 Members (2020: 6).

Principal Activity

The Academy Trust's principal activity is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad curriculum.

Method of Recruitment and Appointment or Election of Governors

The Principal Sponsor (the Diocese of Winchester) appoints the Sponsor Governors and may appoint themselves as a Sponsor Governor. The Co-Sponsors (University of Winchester, Bournemouth School and Bournemouth School for Girls) may each appoint a Co-Sponsor Governor. The Bournemouth Local Authority may appoint a Governor. The Principal is treated for all purposes as being an ex officio Governor. The Parent Governor is elected by Parents/Carers of registered Students at the Academy. A Parent Governor must be a Parent/Carer of a Student at the Academy at the time when s/he is elected. Three co-opted Governors can and have been appointed according to particular skills, experience and competencies that they offer.

Policies and Procedures Adopted for the Induction and Training of Governors

Governors undergo a comprehensive induction and mentoring process according to the appropriate adopted Protocol and Policy.

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GOVERNORS' REPORT (continued)

Organisational Structure

The Bishop of Winchester Academy has a Governing Body, the composition of which is set out in the Academy's Articles of Association. The Academy has three main Governor Committees: Resources, Student Experience and Pay Committee, to which Governors are appointed. These are supported by Governor-led Working Groups. The Academy also calls on members of the Governing Body to sit on a Staff Dismissals Committee and Staff Dismissals Appeal Committee on an ad hoc basis should either Committee be required. The Governing Body and its Committees have Terms of Reference which are reviewed annually and contain details of meeting dates, compositions, responsibilities, delegated authorities and matters reserved for the Governing Body itself.

The Academy Leadership Team comprises of those persons listed on page 1. Their roles and responsibilities are reviewed annually by the Governing Body as a part of the Academy Development Plan. This was last completed in September 2021. Financial and other authorities are confirmed annually by the Governing Body within the adopted Scheme of Delegation.

The Full Governing Body meets at least three times a year, the Resources Committee meets at least three times a year, and the Student Experience Committee meets at least three times a year.

Arrangements for setting pay and remuneration of key management personnel

The Governing Body is responsible for setting the pay and remuneration of key management personnel following an annual performance review. Teachers on the leadership range have their salary set annually, taking into account the roles and responsibilities to which they are assigned. When setting their salaries the Pay Committee take into consideration the School Teachers' Pay and Conditions document issued annually. Support staff on the leadership team have their salary set in accordance with the pay scale set by the Academy Trust, which is updated annually by agreement of the Resources Committee.

The Principal's salary is set by the Governing Body of the Academy. The salaries of all other members of the Academy Leadership Team are set by the Principal following an annual performance review process.

Trade union facility time

The academy has no staff who are union officials. From time to time the unions send a representative in to speak to staff and these meetings are always made available to all staff.

Risk Management

The major risks, to which the Academy Trust is exposed, as identified by the Governors, the Academy Leadership Team and others, have been reviewed and systems or procedures have been established to manage those risks. Internal control systems and the exposure to risks are considered on a regular basis by the Governors and the Academy Leadership Team at their routine meetings. The full Risk Register was reviewed by Governors during the Summer term 2021.

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GOVERNORS' REPORT (continued)

Connected Organisations, including Related Party Relationships

The Academy Trust is not part of a wider network such as a soft federation, whereby the relationship involved would have an impact on the Academy's operational policies. The Academy has not established any relationships with related parties and any other charities/organisations with which it co-operates in the pursuit of charitable activities such that they have influence over operational policies other than with the Lead Sponsor. The Academy is associated with a registered charity operated by the Friends of the Bishop of Winchester Academy. This Charity has no access to public funds and the Academy does not contribute any funds to this Charity from its public grant.

Objectives and Activities

Objects and Aims

The Bishop of Winchester Academy Trust has been established to maintain, and to carry on or provide for the carrying on of, an independent school to be known as The Bishop of Winchester Academy and having such characteristics as are referred to below. The Secretary of State for Education has agreed to make payments to the Academy Trust in accordance with the conditions and requirements set out in the Academy's Funding Agreement. For the avoidance of doubt, any obligations imposed upon or powers given to the Academy by that Agreement are also imposed upon the Academy Trust.

The characteristics of the Academy are set down in section 482 (2) of the Education Act 1996, as substituted by the Education Act 2002 and 2011, are that the school: should have a broad curriculum with an emphasis on a particular subject area, or particular subject areas, specified in the Funding Agreement; and, should provide education for Students of different abilities and who are wholly or mainly drawn from the area in which the school is situated.

Objectives, Strategies and Activities

The Objectives of The Bishop of Winchester Academy are: to have young people as the focus of all the Academy does; to be a learning community rooted in Christian values; to be a place where learning takes precedence over teaching; to have partnership and relationship as key priorities; to have its specialisms suffuse the life of the community; to have the Enterprise and Innovation Specialism as key to encouraging self-confident, flexible and entrepreneurial citizens aware of the needs of others; to have the Mathematics Specialism help to ensure high levels of numeracy across the community; to be focused on and listen to our community; to use its independence; and to have a philosophy of service.

The Bishop of Winchester Academy Governors expect that every young person leaving the Academy will be: an independent, successful and lifelong learner; a caring citizen, sensitive, aware and actively responsive to the needs of others; and, a young adult ready to make a full and lasting contribution to the world.

The Academy takes its responsibilities for safeguarding very seriously, and training is delivered to all staff annually on the Academy's Prevent duty, FGM and all areas of safeguarding.

Public Benefit

The Governors have considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by The Bishop of Winchester Academy Trust is the maintenance and development of the high quality education provided by the School to the young people of Bournemouth and the surrounding area.

Catchment and Admissions to Year 7 – For September 2021 the Governors agreed an admission number of **210**, which represents the maximum number of places that they can offer and this is the Academy's Published Admissions Number (PAN). Where the number of applications for admission is greater than the

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GOVERNORS' REPORT (continued)

PAN, applications will be considered against the criteria set out in the Academy Admissions Policy which is available on the website. In addition, the Governing Body will admit children to the Complex Communication Difficulties Centre attached to the Academy to fill vacancies that arise, up to a maximum of 16 Students. Such Students will have an Education, Health and Care Plan (EHCP), formerly known as Statements of Special Educational Need, for complex communication difficulties that name this provision.

As laid out in the admissions policy the criterion for selection where the school is over-subscribed are, in brief:

- Looked After Children get first priority;
- Children who have siblings already at the Academy;
- Up to 40% of places where religious commitment can be demonstrated;
- Remaining places are based on the distance between the Academy and where the child lives.

The Academy Trust serves the area of Bournemouth in immediate proximity to the academy's geographic location. Students from areas such as Ensbury Park, Boscombe and Holdenhurst attend the academy.

Volunteers

The academy uses volunteers when available and appropriate. Volunteers would usually offer their services for a particular subject or project such as gaining experience in working with children/young adults in art or PE. The placements vary from 1-2 weeks full-time to 6-12 months for a few hours per week.

Volunteers would complete an application form, requiring 2 referees, which would be taken up. A Disclosure Barring Service (DBS) would be completed if the applicant does not have a current DBS and has subscribed to the Update Service. The volunteer would only be allowed a placement once formal identification and these checks have been satisfactorily completed.

The number of volunteers varies from year to year but on average the academy would anticipate between 2-4 volunteer placements per year.

Strategic Report

Achievements and Performance

The achievements and performance of the Academy are published in the Department for Education's school and college performance tables

The Academy is an independent state-funded Church of England secondary school within the Diocese of Winchester. It opened in September 2010.

In March 2017 Ofsted carried out the first short inspection since the Academy was judged to be good in July 2013. The judgment was: This school continues to be good. The report described the Bishop of Winchester Academy as 'a school that changes lives'.

The following observations were made in the letter to the Principal following the Ofsted inspection:

The leadership team has maintained the good quality of education in the school since the last inspection.

- The Academy's leadership is based on a very strong moral and ethical foundation that holds the Christian faith at its heart. Improving the life chances of all our pupils is at the very centre of our work. Our inclusive approach, which seeks to support all pupils, even those who find it difficult to remain within the behaviour boundaries set for them, is something of which the Academy's leadership and governors can be justly proud.

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GOVERNORS' REPORT (continued)

- The Academy benefits from a very strong governing body. They offer a wealth of experience and they know the school well. They receive good, clear reports from the leadership and they broaden their understanding by working with middle leaders directly. As a result, they are able to hold the school to account well.
- The Principal and his leadership team have rightly placed a great emphasis on ensuring that middle leaders are effective. The Principal has developed a culture which holds middle leaders to account well and ensures they are focused on the quality of pupils' experience in their classrooms. Middle leaders feel they benefit from the management structure, which they say supports them well in their role.
- The unit which the Academy hosts, which supports pupils with complex communication difficulties, is well run and meets the needs of the pupils it serves. Staff know their pupils very well and work hard to ensure they can be successful in the mainstream lessons they attend.
- The Principal and his senior colleagues have made it clear to their staff that they expect them to know their pupils well and to adapt their teaching to meet pupils' needs. The information provided to teachers about each pupil helps teachers to do this, and pupils are benefiting as a result.
- Safeguarding is very strong. The leadership team has ensured that all safeguarding arrangements are fit for purpose and records are detailed and of high quality. Systems for checking the suitability of staff are rigorous and robust. Staff are well trained and understand what to do should they have concerns about the safety of pupils. Pupils know how to keep themselves safe online and know who to talk to if they have a concern. Attendance is also monitored carefully and there are good systems in place to check on those who are absent.
- Vulnerable pupils are well cared for. The team that supports these pupils has a broad range of skills and experiences and they have the time allocated and the skillset to meet pupils' needs. There are good relationships with the local authority, which ensures a strong safety net is in place for pupils who need that level of care.
- Teaching in the sixth form is now good. Leaders have taken action to address those instances where previously it was not good enough. Consequently, students are now making good progress. Those students who are re-taking GCSE English and mathematics also do well. Student progress will be further strengthened when the precision of teachers' feedback seen in the main school is equally embedded in the sixth form.

Prior to the short Ofsted inspection in March 2017, the Academy's last full Ofsted Inspection was in July 2013. The overall judgment was Grade 2 - Good. The School was delighted to be judged as "good" following a S48 SIAMS Inspection in November 2019.

The July 2013 Ofsted report noted that Students made at least good progress from starting points that were very low. The achievement of Students had improved steadily in the first five years of the Academy. Attainment had risen sharply to be in line with the national average.

Ofsted Inspectors judged the governance of the Academy as "outstanding". They noted Governors were involved in all aspects of the life of the Academy. They had a detailed understanding of the quality of teaching, the performance management of Teachers and how this linked to Students' achievement. They provided the Principal and other senior leaders with a highly effective balance of support and challenge; they had the expertise and understanding to hold them to account well. They interrogated the Academy's data on the achievement of Students, knew how it compared with similar schools, and took a full part in subject and key stage reviews. The Governors took careful account of the views of Teachers and Students in gathering information about the Academy's performance. They ensured the efficient management of financial and other resources, including the use of funding through the Year 7 catch-up and Pupil Premium. The Governing Body

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GOVERNORS' REPORT (continued)

fulfilled all of its statutory requirements including those relating to safeguarding and child protection.

The Academy was opened to serve and support Students, young people of both genders in the 11-16 age range. Applicants are admitted without regard to aptitude or ability. The Academy prides itself that its ethos is based on the Christian Faith and its values are underpinned by the teachings of Jesus and the Gospels.

Historically, Church of England schools were set up to serve often impoverished neighbourhood children. The Academy seeks to uphold this core purpose so that its local young people, often living in difficult circumstances, can receive an education that will equip them with a set of values and skills for life. It also serves the Anglican faith community across Bournemouth and the Diocese of Winchester. It is notably an inclusive school as it takes and respects Students who practice many other world faiths or those who do not believe at all.

The Academy cares for its Students. They were born in God's image and Academy Staff seek the face of Jesus in each and every one of them. When they let themselves down the Academy forgives them and encourages them to try again; harder. The Academy has invested in a strong "Student Support Team" to offer practical care, welfare/safeguarding and counselling services. The Academy's Staff listen to Students and there is active Student democracy through their representative body "Student Voice".

Impact of Covid-19

Covid-19 has had a significant impact upon the Trust. Additional costs have been incurred due to measures put in place in accordance with guidelines, including additional support for students, support for the mass testing programme and provision of free school meal vouchers. These initiatives have been supported by additional grant funding. Due to pandemic restrictions, there has been a reduction in educational trip income and expenditure and catering expenditure. In addition, staff vacancies did not have to be filled by supply staff during the closure periods.

The ongoing pandemic scenario has meant that there have been no external examinations in the last 2 years. Instead, students have been subject to rigorous teacher assessments in order to provide them with their results.

GCSE EXAMINATION RESULTS AND ANALYSIS 2021

72.1%	Grade 9 – 4 in both English and Mathematics
46.6%	Grade 9 – 5 in both English and Mathematics
47.87	Attainment 8

GCSE Results

Name	Total Grades	9	9 - 8	9 - 7	9 - 6	9 - 5	9 - 4	9 - 7 %	9 - 5 %	9 - 4 %	9 - 1 %
Art & Design	41	1	3	8	12	24	34	19.5	58.5	82.9	97.6
Computing	68	3	6	11	19	33	51	16.2	48.5	75	97.1

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GOVERNORS' REPORT (continued)

Drama	19	2	3	6	13	17	19	31.6	89.5	100	100
English Language	206	6	20	36	73	121	159	17.5	58.7	77.2	99.5
English Literature	206	6	16	38	67	114	157	18.4	55.3	76.2	99
Geography	101	2	7	19	28	53	75	18.8	52.5	74.3	98
History	79	1	3	10	21	35	57	12.7	44.3	72.2	96.2
Mathematics	206	3	14	32	48	109	157	15.5	52.9	76.2	99.5
Media Studies	16	1	2	5	6	12	15	31.3	75	93.8	100
Music	8	0	0	1	3	7	8	12.5	87.5	100	100
Photography	17	0	1	2	6	9	16	11.8	52.9	94.1	100
Physical Education	9	0	2	3	7	9	9	33.3	100	100	100
Psychology	14	2	4	5	7	10	13	35.7	71.4	92.9	100
Religious Studies	196	3	15	28	52	84	121	14.3	42.9	61.7	97.4
Sociology	12	0	1	4	7	8	11	33.3	66.7	91.7	100
Spanish	16	7	8	10	11	13	15	62.5	81.3	93.8	100
Statistics	203	0	7	19	43	122	144	9.4	60.1	70.9	99.5
Arabic	3	0	1	1	2	3	3	33.3	100	100	100
French	1	0	1	1	1	1	1	100	100	100	100
German	1	0	1	1	1	1	1	100	100	100	100
Greek	1	0	1	1	1	1	1	100	100	100	100
Polish	1	1	1	1	1	1	1	100	100	100	100
Portuguese	7	0	4	6	7	7	7	85.7	100	100	100
Russian	2	1	1	2	2	2	2	100	100	100	100
Turkish	1	1	1	1	1	1	1	100	100	100	100

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GOVERNORS' REPORT (continued)

Name	Total Grades	9	9 - 8	9 - 7	9 - 6	9 - 5	9 - 4	9 - 7 %	9 - 5 %	9 - 4 %	9 - 1 %
Science Core	412	3	13	43	90	177	285	10.4	43	69.2	99.5

BTEC Results

Name	Total Grades	D*	D* - D	D* - M	D* - P	D* - L1D	D* %	D* - D %	D* - M %	D* - P %	D* - L1D %
Drama BTEC	15	2	5	8	14	15	13.3	33.3	53.3	93.3	100
BTEC Art & Design	14	2	3	9	14	14	14.3	21.4	64.3	100	100
Sport	21	5	9	12	20	21	23.8	42.9	57.1	95.2	100

Cambridge Nationals

Name	Total Grades	D*	D* - D	D* - M	D* - P	D* - L1D	D* %	D* - D %	D* - M %	D* - P %	D* - L1D %	D* - L1M %	D* - L1P %
Business Studies	28	1	4	21	26	28	3.6	14.3	75	92.9	100	100	100
Health & Social	11	1	3	5	7	7	9.1	27.3	45.5	63.6	63.6	72.7	81.8
Sport Science	32	0	5	10	18	26	0	15.6	31.3	56.3	81.3	84.4	93.8

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GOVERNORS' REPORT (continued)

NCFE VCert

Name	Total Grades	D*	D* - D	D* - M	D* - P	D* - L1D*	D* - L1D	D* %	D* - D %	D* - M %	D* - P %	D* - L1D* %
Food Technology	36	12	20	31	36	36	36	33.3	55.6	86.1	100	100
Health & Fitness	74	9	12	37	47	57	60	12.2	16.2	50	63.5	77
Music Technology	25	3	4	13	22	22	22	12	16	52	88	88

Cache

Name	Total Grades	A*	A* - A	A* - B	A* %	A* - A %	A* - B %	A* - C %
Child Development CACHE	15	4	13	15	26.7	86.7	100	100

'A' Level and BTEC Results Statement 2021

Congratulations to students and staff at The Bishop of Winchester Academy for achieving an exceptional set of 'A' level and BTEC examination results. All students should be recognised for demonstrating determination and resilience in the face of extreme adversity during these unprecedented times. Students have lived out the school mantra of 'High Expectations and No Excuses.' Teachers have worked tirelessly to ensure that students had every opportunity to succeed and students have responded by delivering the Academy's best results to date.

- 100% pass rate for all 'A' level and BTEC entries.
- 90% of students gained their first choice university.
- 30% of students gained place at a Russell Group university.

The diverse range of undergraduate subjects being studied include: veterinary Medicine, Law, Chemistry, Astronomy, Computer Science, Electronic engineering, midwifery, accounting, nursing and education.

Going Concern

At 31 August 2021 the Academy held general reserves of £1,239,151 (2019/20: £975,811). This fulfils the Governors stated policy to have sufficient reserves to cover one months' fixed costs. The Academy submitted a three year forecast to the ESFA for the years ended 31 August 2022 - 2024. A balanced operational budget was forecast.

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GOVERNORS' REPORT (continued)

The Governing Body is mindful of uncertainties in Government funding streams over the coming three years, and will make future plans in the light of those uncertainties. This is a situation that is common to all academy trusts. In compliance with the Academies Financial Handbook 2020 the academy has robust monthly management reporting in place, with variances to budget being analysed in detail on a monthly basis. This enables the Governing Body to make financial decisions based on up to date financial information.

Therefore, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements including taking into account the new environment created by COVID-19. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Key Financial Performance Indicators (KPIs)

The Academy has been operated within the terms and conditions set down within its Academy Funding Agreement to which the Secretary of State for Education is the other party. Compliance with the provisions of this agreement is independently assessed and reported upon by the Internal Auditor separate from the external Auditor) appointed by the Governing Body. The Internal Auditor's Reports are considered, in detail, by the Resources Committee of the Governing Body.

Operational KPIs (that cover the range of education provision within the Academy) are agreed with the Committees of the Governing Body. These are embedded within the Academy Development Plan which is scrutinised by each Governing Body Committee and overseen by the Governing Body. The evidence underpinning the judgments made reporting progress against KPIs are independently tested by an Academy Improvement Partner who is a qualified educational professional supported by other independent lead professionals. A continuous programme of review has been agreed and takes place to provide independent assurance.

Staffing Costs as a % of Public/GAG Income

%	2020/21	2019/20
Teaching Staff	61.2	63.91
Supply & Educational Support Staff	11.8	13.0
Administrative Staff	6.0	4.1
Site Staff	3.0	2.5
Total	82.0	83.5

Staffing costs for 2020/21 are 81.2% of total income. This is in line with the ESFA expectation that staff costs should not exceed 80% of total income.

Admissions for Year 7 Main School Entry

2021		2020	
Applications	Accepted	Applications	Accepted
669	213	774	214

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GOVERNORS' REPORT (continued)

Governors' Indemnity

The Academy Trust has purchased Governors' Liability insurance (£5,000,000) and Fidelity Guarantee cover (£2,500,000) from Zurich Insurance as part of a risk pooling scheme. Under this scheme the Academy is charged an amount per pupil. This scheme was set up by Zurich to offer insurance cover to schools which is competitive when compared with the Government Risk Pooling Arrangement (RPA).

Financial Review

Financial and Risk Management Objectives and Policies

At 31 August 2021 the Academy had net current assets of £1,239,151 (2019/20: £975,811), and total assets less current liabilities of £17,855,818 (2019/20: £17,960,143). At the start of the year the Academy held GAG reserves of £642,876, unrestricted reserves of £327,702 and fixed asset reserves of £16,984,332. As in past years the Academy has kept costs to a minimum in order to fund planned capital expenditure and build the GAG reserve to its current level of £648,109, the unrestricted reserve to its current level of £306,950 and the fixed asset reserve to its current level of £16,616,667.

Governors have taken into account known increases in per pupil funding, as well as modelling of forecast costs in the budget planning process, and are satisfied that the Academy will be able to maintain its current level of reserves going forward.

A review of the Academy Trust's exposure to financial risks including credit, cash flow and liquidity risks, has been undertaken, noting that the principal financial instruments that the Academy deals with are largely bank balances, cash and trade creditors, with limited trade (and other) debtors. The Governors have therefore determined that, taking into account the budgetary decisions taken by Governors for 2020/21, the Academy's financial situation is robust and stable with no significant exposure to uncertain financial risks.

The Accounts show that the main incoming resources were from educational funding totaling £7,083,486 (2019/20: £6,580,908), including capital grant funding of £23,587 (2019/20: £23,451). Additionally, income from activities for generating funds was £2,777 (2019/20: £7,007) and income from donations and private sources was £951 (2019/20: £1,495). The main expenditure was on staff salaries totaling £6,085,393 (2019/20: £5,643,841). Other significant expenditure was £48,010 (2019/20: £76,110) on educational supplies, £119,397 (2019/20: £115,505) on examination fees and £157,877 (2019/20: £142,782) on ICT costs.

Operational income exceeded resources expended on the operational activities of the Academy by £418,826 (2019/20 £331,461). These measurements are derived from the SOFA figures as follows:

	Note	2020/21	2019/20
Net income /(expenditure) per SOFA		(492,325)	(456,204)
Deduct capital grant income	18	(23,587)	(23,451)
Add back amortisation of intangible fixed assets	13	4,374	8,501
Add back depreciation of tangible fixed assets	14	542,364	532,615
Add back net cost of pension scheme	18	388,000	270,000
Net operational income/ (expenditure)		<u>418,826</u>	<u>331,461</u>

The principal sources of funding were from the Education and Skills Funding Agency and grant payments from the local authority and have supported the key objectives of the Academy Trust.

THE BISHOP OF WINCHESTER ACADEMY TRUST
(A company limited by guarantee company registration number 07034121)
Year Ended 31 August 2021

GOVERNORS' REPORT (continued)

Principal Risks and Uncertainties

As reported within the Risk Management Statement earlier in this Report, the major risks to which the Academy Trust is exposed, as identified by the Governors, the Academy Leadership Team and others, have been reviewed, and systems or procedures have been established to manage those risks. Internal control systems and the exposure to risks are considered on a regular basis by the Governors and the Academy Leadership Team at their routine meetings. The full Risk Register was reviewed by Governors during the Spring term 2021. Principal risks and uncertainties identified as part of this process are:

- Risk: That an unsuitable staff member will be recruited who puts the children at risk. Mitigation: Robust recruitment process following safer recruitment guidelines, with enhanced DBS checks in place. Up to date single central register in place. Child protection training for all staff and governors twice a year.
- Risk: Reduction in funding due to lower student numbers or errors in reporting KS5 data. Mitigation: Focus on ensuring maximum pupils on roll at census date.
- Risk: ICT risk of loss of data or damage to systems arising from malicious software. Mitigation: Network security was increased as part of an ongoing ICT strategy. Anti-virus software is in place. The Academy has taken out Cyber Insurance.
- Risk: Ignorance of legislative requirements in place leading to damaging legal action against academy. Mitigation: Legal SLA in place with academy solicitors giving academy staff access to legal advice and guidance.
- Risk: Failure to comply with Health and Safety legislation results in someone being injured. Mitigation: Training undertaken by Facilities team. Health and Safety policy and statutory maintenance reviewed by Governing Body.
- Risk: Academy suffers a data breach with possible penalties / civil action under GDPR, or in some other way is non-compliant. Mitigation: an external company has been appointed as the Academy's Data Protection Officer, Academy leaders and governors have been trained on the requirements of GDPR, and the Academy is compliant with the GDPR regulations.
- Risk: Risk that staff vacancies in Finance will lead to issues in obtaining timely, accurate reports or issues with the financial control environment. Mitigation: External consultancy in place to support during interim

Reserves Policy

The Academy does not plan to hold large reserves. It is intended that its grant funding should, in general terms, be expended each year to support the delivery of education provision to its Students. Governors aim to secure an outturn that will result in a surplus of around 5% of the grant awarded. This allows sensible future planning of resources as the Academy expands and allows it to cope with the lag in funding provision for increased Student numbers. Governors set budgets in order to achieve the stated aim, however challenges in staff recruitment have meant that over the past few years planned vacancies have not been filled, resulting in unplanned savings on staff costs. Governors and Academy leadership have reviewed this situation, and are using some of these savings to fund additional teaching spaces. It is anticipated that this will be reflected in capital expenditure during the coming year.

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GOVERNORS' REPORT (continued)

The Reserves Policy states that the academy reserves should be sufficient to cover one month's fixed costs. As at 31 August 2021 the academy had generated a surplus of 5.8% (2020: 4.8%) of the grant awarded with the intention of funding expenditure on improving the Academy's ICT infrastructure, to enhance the education of children. Additional plans have now been made to increase the number of teaching spaces. Planned capital expenditure has resulted in a transfer from the GAG reserve to the fixed assets reserve of £155,486.

At 31 August 2021 the Academy held unrestricted reserves of £306,950 (2020: £327,702) restricted Donations reserves of £7,241 (2020: £5,233) and restricted GAG reserves of £924,960 (2020: £642,876).

The reserves at 31 August 2021 include a fixed assets reserve of £16,616,667 (2020: £16,984,332) which represents grant funded fixed assets.

The reserves at 31 August 2021 include a pension reserve deficit of £4,573,000 (2020: £4,037,000). In order to manage the pension fund deficit, contributions are set every three years by the administering authority (Dorset County Council) as a result of the actuarial valuation of the Fund. The governors are confident that the cash flow implications of this can be managed. The existence of the pension scheme deficit does not mean an immediate liability crystallises and instead is addressed over a series of years through pension contributions.

The Reserves Policy states that the Academy reserves should be sufficient to cover one month's fixed costs. As at 31 August 2021 the Academy is in that position.

Investment Policy

The Articles of Association list the powers that the Academy Trust has with regards to investments. The Resources Committee reviews this matter at its termly meetings to ensure that returns are maximised within prudent parameters and in accordance with the adopted Governors' Investment Policy.

At 31 August 2021 the net assets of the Academy include cash at bank and in hand of £1,523,722. Included within this figure is £610,053 held in a 32 day notice account, and £300,142 held in a 3 month treasury deposit account, also with the Academy's bankers.

Fundraising Practices

The Academy seeks to raise funds from parents to contribute to Academy activities. The Academy's approach to fundraising is very discrete, and does not involve the use of commercial participators or professional fundraisers.

Some funds are also raised through ancillary activities such as school productions. Again these are minimal, and are all used to fund the educational activities of the Academy.

At various times during the year the Academy raises funds for other charities, for example on Red Nose Day, or multi days, when the children donate to support a good cause. These funds are all paid out to the charities for which they were raised.

Plans for Future Periods

Development of teaching and learning and raising of standards will be pursued in accordance with the targets set within the Academy Development Plan, produced by the Academy Leadership Team in consultation with Governing Body Committees and Working Group and that has been adopted by Governors.

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GOVERNORS' REPORT (continued)

Key objectives for 2021/22 outlined in the Academy Development Plan are:

- Objective 1 – Ensure the Academy is open to all pupils from September and a Recovery Programme is successfully implemented.
- Objective 2 – Ensure all curriculum developments are fully aligned with new Quality of Education judgement.
- Objective 3 – Embed the literacy strategy.
- Objective 4 – Ensure all pupils are fully engaged with the Academy and exclusions (internal, fixed term and permanent) are reduced.
- Objective 5 – Ensure all pupils make positive progress.

Within each objective area, the Academy Development Plan defines how these objectives will be met.

The Trustees' vision for the future of the Academy is that all students leave having made outstanding progress, and equipped with the appropriate skills for the further education and careers they move on to. We aim for all our young people to live out our mission statement 'Sapere Aude' – Have the Courage to be Wise. It is our mission to ensure that all young people do have the courage of their own well-founded convictions, to make wise decisions that will allow them to celebrate their talents, fulfil their God-given potential and live life to the full.

Applying past experience to our expectations for the future, as a Governing Body we are fully aware of the challenges that lie ahead, and the need for wise stewardship of resources. We aim to continue our existing practices of careful planning and oversight in order to ensure that the Academy achieves the best possible outcomes from the resources available, while continuing to encourage all pupils and staff to 'Know life in all its fullness' (John 10.10).

Budget planning is informed by the published increases in the LGPS pension contribution rate following the recent valuation – 21% from 1st April 2021, and 22% from 1st April 2022.

Funds held as Custodian Trustee on behalf of others

The Academy does not hold assets in safe custody or act as custodian trustee for any other organisation.

Auditor

In so far as the Governors are aware:

- there is no relevant audit information of which the Academy Trust's Auditor is unaware; and
- 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.

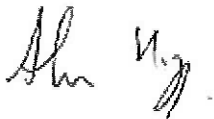
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GOVERNORS' REPORT (continued)

Appointment of auditors

In accordance with the Companies Act 2006 a resolution is to be proposed at the Annual General Meeting for the re-appointment of Moore (South) LLP as the Auditor of the Academy Trust for the ensuing year.

The Governors' Report, incorporating a Strategic Report, was approved by order of the Governing Body, as the company's directors, on 21 December 2021 and signed on its behalf by:



Alan Hogg
Chair of the Governing Body and Academy Trust

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GOVERNANCE STATEMENT

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Bishop of Winchester Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The Governing Body has met formally 13 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
Rev Jim Findlay	6	9
Mrs Janice Grey (resigned 23 December 2020)	5	6
Mr Alan Hogg (Chair)	13	13
Mr Paul McKeown (Principal and Accounting Officer)	12	12
Dr Karen Pendlebury	9	12
Mrs Mary O'Sullivan	9	9
Mrs Judy Appleton (appointed 22 April 2021)	3	3
Ms Michelle Jacques (appointed 8 December 2020)	5	7
Rev David Thompson	10	12
Mr Roy Clayton	8	12
Dr Kate Dingley (appointed 30 September 2021)	0	0

After a number of resignations we have been successful in finding new governors, putting the Academy in a healthy position. The composition of the Governing Body has been reviewed with the Sponsors to ensure that it remains fit for purpose.

The Governing Body delegates responsibility for functions set out in approved Terms of Reference to a number of Governing Body appointed Committees and Working Groups. The key ones are the Resources Committee and the Student Experience Committee. Formal reports are presented to the routine Governing Body meetings that take place towards the end of each term. Details of the business undertaken and attendance are contained within the related minutes.

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GOVERNANCE STATEMENT (continued)

The **Resources Committee (incorporating the Audit Committee and Finance Monitoring Group)** is a sub-committee of the main board of trustees. Its purpose is to:

- Function as the audit committee of the academy;
- Approve and monitor the annual budget;
- Approve returns for submission to the ESFA;
- Make recommendations to the Full Governing Body regarding larger spending decisions.

The Chair of the Resources Committee is a qualified accountant.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr Alan Hogg (Chair of Governors)	4	4
Mr Paul McKeown (Principal and Accounting Officer)	4	4
Mrs Mary O'Sullivan (Chair)	4	4
Rev Jim Findlay	2	2
Mrs Judy Appleton (appointed 22 April 2021)	1	1
Ms Michelle Jacques (appointed 8 December 2020)	1	2
Rev David Thompson	4	4
Mr Roy Clayton	3	4

Review of Value for Money

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

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

- Robust governance and oversight of Academy Trust finances – The Academy benefits from the provision by Richard Dunford of a suitably qualified Internal Auditor. Reviews take place of key financial policies, systems and procedures, including the use of tenders and reports presented on compliance to the Finance Monitoring Group and the Resources Committee. The Finance Monitoring Group receives and scrutinises the monthly budget monitoring reports and ensures compliance with the Academy Trust's policies.
- Rigorous budget reporting and control – Reports of actual spend against budget are sent to budget holders on a monthly basis, enabling budget holders to track their expenditure and keep control.
- Use of approved suppliers – An approved suppliers list has been compiled of suppliers offering the best value for money. Before a supplier can be added to the list a form must be completed verifying that the supplier offers the best value for money in comparison with existing suppliers.

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GOVERNANCE STATEMENT (continued)

- Ensuring the operation of the Trust demonstrates good value for money and efficient and effective use of resources - Tender exercises are regularly undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long term contracts (3 to 5 years) remain competitive. Three quotes are required for purchases above £5,000 but below the tender limit of £40,000.

A system of robust performance management reviews has been operated during the year under review to ensure that staff only progress where their performance merits progression. Increments have not been automatically awarded to teaching staff. A review of support staff has also been undertaken to ensure the Academy is achieving good value for money in all areas of staffing. Staff who have left have not been automatically replaced, and a redistribution of responsibilities in the leadership of the Academy has meant that staff costs have been significantly reduced.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Bishop of Winchester Academy Trust for the period from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. During the COVID-19 closure processes and controls were mirrored electronically, using emails as signatures for the authorisation process.

Capacity to Handle Risk

The Governing Body reviews the key risks to which the Academy Trust is exposed, on a termly basis, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body with aspects of detailed scrutiny undertaken, on a termly basis, by the Resources Committee of the Governing Body and, on a monthly basis, by the Governors' Finance Monitoring Group.

The Risk and Control Framework

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

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

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GOVERNANCE STATEMENT (continued)

- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has appointed an internal auditor to support the discharge of its responsibilities. The Academy has continued to use the services of Richard Dunford (resigned 31 August 2021), a qualified Chartered Accountant, as Internal Auditor (Responsible Officer (RO)). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular, the checks carried out in the current period included:

- testing of payroll systems and HR records
- testing of income systems, purchase systems and VAT 126 returns
- testing of control account/ bank reconciliations
- testing of governance including budgeting and management accounts
- testing of nominal journals, policies and debit cards

On a termly basis, the RO reports to the Governing Body and its appropriate Committees and Working Groups on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The Governors have opted for an RO who is not linked to the Academy in any way, and is a qualified accountant, in order to have a knowledgeable and totally independent opinion on the robustness of, and compliance with, financial controls and procedures.

The Academy Trust confirms that the RO function has been fully delivered in line with the Education and Skills Funding Agency's (ESFA's) requirements. There have been no material control issues arising as a result of the RO's work. Any issues arising have resulted in the production of an Action Plan to ensure that they are addressed. Such issues have been monitored by Governors with supporting evidence of delivery as may be required.

Review of Effectiveness

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

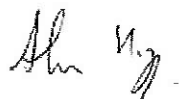
- the work of the Internal Auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process; and,
- the work of the Academy Leadership Team which has responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Governing Body on 21 December 2021 and signed on its behalf by:



Paul McKeown
Academy Principal and Accounting Officer



Alan Hogg
Chair of the Governing Body and Academy Trust

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of the Bishop of Winchester 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 ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Trust 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.

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



Paul McKeown
Academy Principal and Accounting Officer

Date: 21 December 2021

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Governors (who act as Trustees for the charitable activities of The Bishop of Winchester Academy Trust (an exempt charity) and are also the Directors of the Academy Trust for the purposes of company law) are responsible for preparing the Governors' Report and the Financial Statements in accordance with the Annual Accounts Direction 2020 to 2021 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 Academy Trust 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:

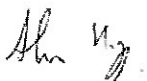
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020/21;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy Trust will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Academy Trust 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 Academy Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the Governing Body on 21 December 2021 and signed on its behalf by:



Alan Hogg

Chair of the Governing Body and Academy Trust

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE BISHOP OF WINCHESTER ACADEMY

Opinion

We have audited the accounts of The Bishop of Winchester 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 notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

Other information

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

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE BISHOP OF WINCHESTER ACADEMY (continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the accounts are prepared is consistent with the accounts; and
- the strategic report and the directors' report included within the Governors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' 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 statement of Governors' responsibilities, the Governors (who are also directors of the academy trust for the purposes of company law) are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the 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 have no realistic alternative but to do so.

THE BISHOP OF WINCHESTER ACADEMY TRUST
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE BISHOP OF WINCHESTER ACADEMY (continued)

Auditor's responsibilities for the audit of the accounts

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

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

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the accounts due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the Academy Trust.

Our approach was as follows:

- The engagement partner selected staff for the audit, led by persons who it was deemed had sufficient experience and who had the required competence and skills to be able to identify or recognise non-compliance with laws and regulations.
- We assessed the risk of irregularities as part of our audit planning, and ongoing review, including those due to fraud, management override was identified as a significant fraud risk. This is due to the ability to bypass controls through inappropriate expenditure and accounting policies adopted.
- Completeness of income was identified as a significant risk to the audit, as grant income may not be recognised in accordance with the SORP.
- We obtained an understanding of the legal and regulatory requirements applicable to the charity and we considered the most significant to be Academies Accounts Direction, the Charity SORP, Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council and UK Taxation legislation. We considered how the Academy Trust complies with these requirements by discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations. Consideration was also made of the internal controls in place to mitigate the identified risks.

THE BISHOP OF WINCHESTER ACADEMY TRUST

(A company limited by guarantee company registration number 07034121)

Year Ended 31 August 2021

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE BISHOP OF WINCHESTER ACADEMY (continued)

- We assessed the control environment, documenting the systems, controls and processes adopted. The audit approach incorporated a combination of controls where appropriate, analytical review and substantive procedures involving tests of transactions and balances. Any irregularities noted were discussed with management and additional corroborative evidence was obtained as required.
- We obtained an understanding and assessed the impact of Covid-19 on the operations of the Academy Trust and adapted our audit approach accordingly. We enquired and obtained evidence to support the going concern assumption and reviewed support received through the Coronavirus support schemes, dovetailed with work undertaken on management override.

To address the risk of fraud through management override we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify any unusual transactions;
- tested items of expenditure to ensure that they were valid and appropriate;
- confirmed monthly management accounts were reviewed by the board;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- reviewed the disclosures within the accounts to ensure they meet the requirements of the accounting standards and relevant legislation.

In response to the risk of irregularities with regards to completeness of income we:

- completed analytical work, to include comparison with prior periods;
- agreed a sample of documentation to confirm that relevant entries were reflected in the accounting records and allocated to the correct period and
- reviewed minutes of governors meetings and confirmed income sources mentioned were included correctly within the accounts.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the governors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

THE BISHOP OF WINCHESTER ACADEMY TRUST
(A company limited by guarantee company registration number 07034121)
Year Ended 31 August 2021

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE BISHOP OF WINCHESTER ACADEMY (continued)

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.

Ann Mathias
Ann Mathias (Senior Statutory Auditor)
for and on behalf of Moore (South) LLP

.....*23 December 2021*.....

Chartered Accountants
Statutory Auditor

33 The Clarendon Centre
Dairy Meadow Lane
Salisbury Business Park
Salisbury
Wiltshire
SP1 2TJ

THE BISHOP OF WINCHESTER ACADEMY TRUST

(A company limited by guarantee company registration number 07034121)

31 AUGUST 2021

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE BISHOP OF WINCHESTER ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

In accordance with the terms of our engagement letter dated 20 August 2019 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 The Bishop of Winchester 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 The Bishop of Winchester Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Bishop of Winchester Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Bishop of Winchester Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of The Bishop of Winchester Academy Trust's funding agreement with the Secretary of State for Education dated 23 March 2020 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 2020 to 2021. 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

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

The work undertaken to draw to our conclusion includes:

- 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.

THE BISHOP OF WINCHESTER ACADEMY TRUST

(A company limited by guarantee company registration number 07034121)

31 AUGUST 2021

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO THE BISHOP OF WINCHESTER ACADEMY AND THE EDUCATION &
SKILLS FUNDING AGENCY (continued)**

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.

Moore (South) LLP

Reporting Accountant

Moore (South) LLP
33 The Clarendon Centre
Salisbury Business Park
Dairy Meadow Lane
Salisbury
Wiltshire
SP1 2TJ

Dated: *23 December 2021.*

THE BISHOP OF WINCHESTER ACADEMY TRUST
(A company limited by guarantee company registration number 07034121)
Year Ended 31 August 2021

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021 (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2020/21	2019/20
	Note	£	£	£	£	£
Income and endowments from:						
Donations and capital grants	3	-	951	23,587	24,538	24,946
Charitable activities:						
Funding for the academy trust's educational operations	4	22,778	7,098,940	-	7,121,718	6,719,141
Other trading activities	5	2,777	-	-	2,777	7,007
Investments	6	636	-	-	636	3,548
Total		26,191	7,099,891	23,587	7,149,669	6,754,642
Expenditure on:						
Raising funds	7	-	-	-	-	2,064
Charitable activities:						
Academy trust educational operations	7,8	46,943	7,048,313	546,738	7,641,994	7,208,782
Other		-	-	-	-	
Total		46,943	7,048,313	546,738	7,641,994	7,210,846
Net income / (expenditure)		(20,752)	51,578	(523,151)	(492,325)	(456,204)
Transfers between funds	18	-	(155,486)	155,486	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	18,28		(148,000)		(148,000)	(512,000)
Net movement in funds		(20,752)	(251,908)	(367,665)	(640,325)	(968,204)
Reconciliation of funds:						
Total funds brought forward	18	327,702	(3,388,891)	16,984,332	13,923,143	14,891,347
Total funds carried forward		306,950	(3,640,799)	16,616,667	13,282,818	13,923,143

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derives from continuing activities.
An analysis of the comparative figures by fund type is included at note 12.

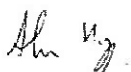
THE BISHOP OF WINCHESTER ACADEMY TRUST

(A company limited by guarantee company registration number 07034121)

BALANCE SHEET AS AT 31 AUGUST 2021

		2021	2021	2020	2020
	Notes	£	£	£	£
Fixed assets					
Intangible assets	13		4,607		5,286
Tangible assets	14		16,612,060		16,979,046
			<u>16,616,667</u>		<u>16,984,332</u>
Current assets					
Stock	15	-		12,742	
Debtors	16	219,186		298,346	
Cash at bank and in hand		1,523,722		1,399,311	
		<u>1,742,908</u>		<u>1,710,399</u>	
Liabilities					
Creditors: Amounts falling due within one year	17	(503,757)		(734,588)	
Net current assets			<u>1,239,151</u>		<u>975,811</u>
Total assets less current liabilities			<u>17,855,818</u>		<u>17,960,143</u>
Net assets excluding pension liability			<u>17,855,818</u>		<u>17,960,143</u>
Defined benefit pension scheme liability	28	(4,573,000)		(4,037,000)	
Total net assets			<u>13,282,818</u>		<u>13,923,143</u>
Funds of the academy trust:					
Restricted funds					
. Fixed asset fund	18	16,616,667		16,984,332	
. Restricted income funds	18	932,201		648,109	
. Pension reserve	18	(4,573,000)		(4,037,000)	
Total restricted funds			<u>12,975,868</u>		<u>13,595,441</u>
Unrestricted income funds	18		<u>306,950</u>		<u>327,702</u>
Total funds			<u>13,282,818</u>		<u>13,923,143</u>

The financial statements on pages 31-60 were approved by the trustees, and authorised for issue on 21 December 2021 and signed on their behalf by:



Alan Hogg (Chair of Governors)

THE BISHOP OF WINCHESTER ACADEMY TRUST
(A company limited by guarantee company registration number 07034121)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	22	279,261	572,888
Cash flows from investing activities	23	(154,850)	(218,981)
Change in cash and cash equivalents in the reporting period	24	<u>124,411</u>	<u>353,907</u>
Cash and cash equivalents at 1 September 2020		<u>1,399,311</u>	<u>1,045,404</u>
Cash and cash equivalents at 31 August 2021		<u>1,523,722</u>	<u>1,399,311</u>

BISHOP OF WINCHESTER ACADEMY TRUST

(A company limited by guarantee company registration number 07034121)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1. Statement of accounting policies

The Bishop of Winchester Academy Trust is a charitable company limited by guarantee incorporated in England and Wales. The address of its principal place of business is given on page 2 and the nature of its operations are set out in the trustees' report. 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.

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Bishop of Winchester Academy Trust meets the definition of a public benefit entity under FRS102.

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company 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 trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

During the year under review the academy has generated sufficient reserves to fund necessary capital expenditure, as well as maintaining reserves at a sufficient level to cover one month's fixed costs, as stated in its Reserves Policy. Despite the sector's expectations of reducing income flows over the coming years, the Trustees' forecasting indicates that the academy will be able to at least balance its books each year for the foreseeable future. This assessment has also taken into account the impact of COVID-19.

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.

Other grant income, which consists mainly of the Pupil Premium Grant from the ESFA, and SEND and High Needs related income from the local authority, is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

BISHOP OF WINCHESTER ACADEMY TRUST

(A company limited by guarantee company registration number 07034121)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

1. Statement of accounting policies (continued)

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

- **Sponsorship Income**

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

- **Donations**

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

- **Other Income**

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

- **Donated goods, facilities and services**

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

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.

- **Expenditure on Raising Funds**

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

BISHOP OF WINCHESTER ACADEMY TRUST

(A company limited by guarantee company registration number 07034121)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

1. Statement of accounting policies (continued)

• Charitable Activities

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

Intangible Fixed Assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software 33.3%

Tangible Fixed Assets

Assets costing £1,000 or more, either individually or in aggregate, 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.

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

- Leasehold buildings 2% straight line basis
- Improvements to property 15% reducing balance basis
- Fixtures, fittings and equipment 25% reducing balance basis
- ICT equipment 33.3% straight line basis
- Motor vehicles 20% reducing balance basis

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.

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

BISHOP OF WINCHESTER ACADEMY TRUST

(A company limited by guarantee company registration number 07034121)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

1. Statement of accounting policies (continued)

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Stock

Unsold uniforms, revision books, student stationery for resale, and catering stocks, are valued at the lower of cost or net realisable value.

Consumable items held in store by the facilities team, the print shop and curriculum areas are valued at cost at the year end and carried forward to the next year, in order to match income against expenditure.

Liabilities

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

Provisions

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

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

Leased Assets

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

Taxation

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256

of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Short-term employee benefits

Short-term employee benefits are those expected to be settled wholly before twelve months after the end of the annual reporting period during which employee services are rendered, but do not include termination benefits. Examples include wages, salaries, profit-sharing and bonuses and non-monetary benefits paid to current employees.

BISHOP OF WINCHESTER ACADEMY TRUST

(A company limited by guarantee company registration number 07034121)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

1. Statement of accounting policies (continued)

The undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in an accounting period is recognised in that period. The expected cost of short-term compensated absences is recognised as the employees render service that increases their entitlement or, in the case of non-accumulating absences, when the absences occur, and includes any additional amounts an entity expects to pay as a result of unused entitlements at the end of the period.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer 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 net income/(expenditure) 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.

Fund Accounting

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

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

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

Agency Arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the ESFA. Related payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in the Statement of Financial Activities. Where funds have not been fully applied in the year then an amount will be included as amounts deferred to the next year, or repayable to the ESFA if unspent.

BISHOP OF WINCHESTER ACADEMY TRUST

(A company limited by guarantee company registration number 07034121)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

1. Statement of accounting policies (continued)

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

On conversion to an Academy Trust, the asset and liabilities of the Trust were measured at fair value. This includes any land and buildings. The valuation of the land and buildings involves a significant degree of estimation; refer to Note 14 for further detail of this estimation.

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Academy Trust was subject to limits at 31 August 2021 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes. The academy trust has exceeded these limits during the year ended 31 August 2021, see note 26 for further details.

3 Donations and capital grants

	Unrestricted funds	Restricted Fixed Asset funds	Restricted Donations funds	Total 2020/21	Total 2019/20
	£	£	£	£	£
Capital grants	-	23,587	-	23,587	23,451
Other Donations	-	-	951	951	1,495
	-	23,587	951	24,538	24,946

An analysis of the comparative figures by fund type is included at note 12.

BISHOP OF WINCHESTER ACADEMY TRUST

(A company limited by guarantee company registration number 07034121)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

4 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds	Restricted funds	Restricted Donations funds	Total 2020/21	Total 2019/20
	£	£	£	£	£
DfE/ESFA grants					
- General Annual Grant (GAG)	-	5,956,021	-	5,956,021	5,640,263
- Teachers Pay	-	79,009	-	79,009	80,703
- Teachers Pension	-	223,260	-	223,260	228,694
- Pupil Premium	-	252,120	-	252,120	262,816
- Other DfE Group Grants	-	13,332	-	13,332	17,818
	-	6,523,742	-	6,523,742	6,230,294
Other Government grants					
- Local authority grants	-	404,017	-	404,017	327,163
	-	404,017	-	404,017	327,163
COVID-19 additional funding (DfE/ESFA)					
- Catch-up premium	-	85,920	-	85,920	-
COVID-19 additional funding (non-DfE/ESFA)					
- Other COVID-19 funding	-	46,220	-	46,220	-
	-	132,140	-	132,140	-
Other income from the academy trust's educational operations	22,778	34,835	4,206	61,819	161,684
	22,778	7,094,734	4,206	7,121,718	6,719,141

An analysis of the comparative figures by fund type is included at note 12.

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trusts funding for Teachers Pay, Teachers Pension and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines. The prior year numbers have been reclassified.

BISHOP OF WINCHESTER ACADEMY TRUST

(A company limited by guarantee company registration number 07034121)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

5 Other Trading activities

	Unrestricted funds	Restricted funds	Total 2020/21	Total 2019/20
	£	£	£	£
Hire of Facilities	2,740	-	2,740	4,405
Catering income	-	-	-	1,234
Other income	37	-	37	1,368
	<u>2,777</u>	<u>-</u>	<u>2,777</u>	<u>7,007</u>

6 Investment Income

	Unrestricted funds	Restricted funds	Total 2020/21	Total 2019/20
	£	£	£	£
Short term deposits	636	-	636	3,548
	<u>636</u>	<u>-</u>	<u>636</u>	<u>3,548</u>

7 Expenditure

	Staff Costs	Non Pay Expenditure		Total 2020/21	Total 2019/20
		Premises	Other		
	£	£	£	£	£
Expenditure on raising funds	-	-	-	-	2,064
Academy's educational operations:					
- Direct costs	5,063,986	470,778	481,596	6,016,360	5,960,281
- Allocated support costs	1,021,407	342,643	261,584	1,625,634	1,248,501
	<u>6,085,393</u>	<u>813,421</u>	<u>743,180</u>	<u>7,641,994</u>	<u>7,210,846</u>

	2021 £	2020 £
Net income/(expenditure) for the period includes:		
Operating lease rentals	19,580	13,170
Depreciation	542,364	532,615
Gain/(loss) on disposal of fixed assets	-	3,059
Amortisation of intangible fixed assets	4,374	8,501
Fees payable to auditor - audit	11,065	10,760
- other services	<u>2,525</u>	<u>2,525</u>

8 Charitable activities

	Unrestricted Funds	Restricted Funds	Restricted Donations Funds	Total 2020/21	Total 2019/20
	£	£	£	£	£
Direct costs - educational operations	-	6,015,186	1,174	6,016,360	5,960,281
Support costs - educational operations	46,943	1,576,716	1,975	1,625,634	1,248,501
	<u>46,943</u>	<u>7,591,902</u>	<u>3,149</u>	<u>7,641,994</u>	<u>7,208,782</u>

BISHOP OF WINCHESTER ACADEMY TRUST

(A company limited by guarantee company registration number 07034121)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

8 Charitable activities (continued)

Analysis of support costs

	Educational operations	Total 2020/21	Total 2019/20
	£	£	£
Support staff costs	1,021,407	1,021,407	593,845
Depreciation	71,586	71,586	58,572
Premises costs	265,880	265,880	255,241
Legal costs - other	2,000	2,000	7,751
Other support costs	242,507	242,507	310,496
Governance costs	22,254	22,254	22,596
	<u>1,625,634</u>	<u>1,625,634</u>	<u>1,248,501</u>

The Local Government Pension Scheme service costs have been included in support staff costs this year but were included in direct education operational costs in the prior year.

9 Staff

a. Staff costs

Staff costs during the period were:

	2020/21	2019/20
	£	£
Wages and salaries	4,368,845	4,014,217
Social security costs	414,605	378,718
Operating costs of defined benefit pension schemes	1,237,656	1,018,990
Apprenticeship levy	6,800	5,060
	<u>6,027,906</u>	<u>5,416,985</u>
Supply staff costs	57,487	226,856
Staff restructuring costs	-	-
	<u>6,085,393</u>	<u>5,643,841</u>

b. Non statutory/non contractual staff severance payments

During the year under review there were no non-statutory/non-contractual severance payments included in staff costs (2019/20: £Nil).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

9 Staff (continued)

c. Staff numbers

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

	2021	2020
	Average headcount	Average headcount
Charitable Activities		
Teachers	74	74
Administration and support	56	64
Management	5	7
	<u>135</u>	<u>145</u>

For the purposes of declaring the salaries of key management personnel, the Management category includes all members of the Academic Leadership Team and the Senior Leadership Team.

Staff numbers using average FTE

Charitable Activities

Teachers	72	71
Administration and support	47	46
Management	5	7
	<u>124</u>	<u>124</u>

d. Higher paid staff

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

	2021	2020
	No	No
£60,001 - £70,000	1	1
£70,001 - £80,000	1	
£80,001 - £90,000		1
£90,001 - £100,000	1	
£150,001 - £160,000	1	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2021, pension contributions for these staff amounted to £89,761 (2020: £71,852). None of the above employees participated in the Local Government Pension Scheme.

BISHOP OF WINCHESTER ACADEMY TRUST

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

9 Staff (continued)

e Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £728,521 (2020: £682,844).

10 Related Party Transactions - Trustees' remuneration and expenses

The Principal only receives remuneration in respect of services he provides undertaking the role of Principal under his contract of employment. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as Governors. The value of Governors' remuneration was as follows:

P McKeown (principal and trustee)

Remuneration £155,000 - £160,000 (2020: £150,000 - £155,000)

Employer's pension contributions: £35,000 - £40,000 (2020: £35,000 - £40,000)

During the year ended 31 August 2021, expenses of £Nil were paid. (2020: £573.41 paid to 2 Governors). All expenses paid were with regard to CPD related travel.

Related party transactions involving the Governors are set out in Note 29.

11 Trustees and officers insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the total cost of insurance for the year ended 31 August 2021 was £507 (2020: £452). The cost of this insurance is included in the total insurance cost, and is an estimate as the Academy is now insured under a risk pooling scheme similar to the RPA, provided by Zurich Insurance. The premium for this insurance is calculated on a per pupil basis.

12 a. Analysis by Fund for Comparative Statement of Financial Activities

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2020
	£	£	£	£
Income and endowments from:				
Donations and capital grants	-	1,495	23,451	24,946
Charitable activities:				
Funding for the academy				
trust's educational operations	90,219	6,628,922	-	6,719,141
Other trading activities	7,007	-	-	7,007
Investments	3,548	-	-	3,548
Total	100,774	6,630,417	23,451	6,754,642

BISHOP OF WINCHESTER ACADEMY TRUST

(A company limited by guarantee company registration number 07034121)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

12 a. Analysis by Fund for Comparative Statement of Financial Activities (continued)

Expenditure on:				
Raising funds	2,064	-	-	2,064
Charitable activities:				
Academy trust educational operations	48,568	6,619,098	541,116	7,208,782
Other	-	-	-	-
Total	50,632	6,619,098	541,116	7,210,846
Net income / (expenditure)	50,142	11,319	(517,665)	(456,204)
Transfers between funds	-	(222,528)	222,528	-
Other recognised gains / (losses):				
Actuarial (losses) / gains on defined benefit pension schemes	-	(512,000)	-	(512,000)
Net movement in funds	50,142	(723,209)	(295,137)	(968,204)
Reconciliation of funds:				
Total funds brought forward	277,560	(2,665,682)	17,279,469	14,891,347
Total funds carried forward	327,702	(3,388,891)	16,984,332	13,923,143

12 b. Analysis by Fund for Comparative Donations and capital grants

	Unrestricted Funds	Restricted Fixed Asset funds	Restricted Donations funds	Total 2020
	£	£	£	£
Capital grants	-	23,451	-	23,451
Other Donations	-	-	1,495	1,495
	-	23,451	1,495	24,946

BISHOP OF WINCHESTER ACADEMY TRUST

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

12 c. Analysis by Fund for Comparative Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted funds £	Restricted Donations funds £	Total 2020 £
DfE/EFA grants				
- General Annual Grant (GAG)	-	5,640,263	-	5,640,263
- Other DfE/EFA Grants	-	590,031	-	590,031
	-	6,230,294	-	6,230,294
Other Government grants				
- Local authority grants	-	327,163	-	327,163
	-	327,163	-	327,163
Other income from the academy trust's educational operations	90,219	67,022	4,443	161,684
	90,219	6,624,479	4,443	6,719,141

12 d. Analysis by Fund for Comparative Funding for Other Trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £
Hire of Facilities	4,405	-	4,405
Catering income	1,234	-	1,234
Other income	1,368	-	1,368
	7,007	-	7,007

e. Analysis by Fund for Comparative Funding for Investment Income

	Unrestricted funds £	Restricted funds £	Total 2020 £
Short term deposits	3,548	-	3,548
	3,548	-	3,548

BISHOP OF WINCHESTER ACADEMY TRUST

(A company limited by guarantee company registration number 07034121)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

12 f. Analysis by Fund for Comparative Funding for Expenditure

	Non Pay Expenditure			Total 2020 £
	Staff Costs £	Premises £	Other £	
	Expenditure on raising funds	1,589	-	
Academy's educational operations:				
- Direct costs	5,048,407	474,043	437,831	5,960,281
- Allocated support costs	593,845	319,526	335,130	1,248,501
	<u>5,643,841</u>	<u>793,569</u>	<u>773,436</u>	<u>7,210,846</u>

12 g. Analysis by Fund for Comparative Funding for Charitable Expenditure

	Unrestricted Funds £	Restricted funds £	Restricted Donations funds £	Total 2020 £		
	Direct costs - educational operations	-	5,958,731		1,550	5,960,281
	Support costs - educational operations	48,568	1,195,745		4,188	1,248,501
	<u>48,568</u>	<u>7,154,476</u>	<u>5,738</u>	<u>7,208,782</u>		

Analysis of support costs

	Educational operations £	Total 2020 £
Support staff costs	593,845	593,845
Depreciation	58,572	58,572
Premises costs	255,241	255,241
Legal costs - other	7,751	7,751
Other support costs	310,496	310,496
Governance costs	22,596	22,596
	<u>1,248,501</u>	<u>1,248,501</u>

BISHOP OF WINCHESTER ACADEMY TRUST

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

13 Intangible Fixed Assets

	Computer Software £	Total £
Cost		
At 1 September 2020	76,188	76,188
Additions	3,695	3,695
Disposals	-	-
At 31 August 2021	<u>79,883</u>	<u>79,883</u>
Amortisation		
At 1 September 2020	70,902	70,902
Charged in year	4,374	4,374
Disposals	-	-
At 31 August 2021	<u>75,276</u>	<u>75,276</u>
Net book values		
At 31 August 2021	<u>4,607</u>	<u>4,607</u>
At 31 August 2020	<u>5,286</u>	<u>5,286</u>

14 Tangible Fixed Assets

	Leashold buildings £	Improvement to buildings £	Furniture and equipment £	Motor vehicles £	Plant and Machinery £	Computer equipment £	Total £
Cost							
At 1 September 2020	18,505,879	718,884	245,561	23,550	122,084	759,210	20,375,167
Additions	-	34,714	19,106	-	4,848	116,710	175,378
Disposals	-	-	-	-	-	-	-
At 31 August 2021	<u>18,505,879</u>	<u>753,598</u>	<u>264,667</u>	<u>23,550</u>	<u>126,932</u>	<u>875,920</u>	<u>20,550,545</u>
Depreciation							
At 1 September 2020	2,116,228	419,029	171,153	20,388	71,464	597,858	3,396,121
Charged in year	358,118	41,429	21,178	632	12,943	108,064	542,364
Disposals	-	-	-	-	-	-	-
At 31 August 2021	<u>2,474,346</u>	<u>460,458</u>	<u>192,331</u>	<u>21,020</u>	<u>84,407</u>	<u>705,922</u>	<u>3,938,485</u>

BISHOP OF WINCHESTER ACADEMY TRUST

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

14 Tangible Fixed Assets (continued)

	Leashold buildings £	Improvement to buildings £	Furniture and equipment £	Motor vehicles £	Plant and Machinery £	Computer equipment £	Total £
Net book values							
At 31 August 2021	16,031,533	293,140	72,336	2,530	42,524	169,998	16,612,060
At 31 August 2020	<u>16,389,651</u>	<u>299,855</u>	<u>74,408</u>	<u>3,162</u>	<u>50,619</u>	<u>161,352</u>	<u>16,979,046</u>

A valuation of the buildings was undertaken on 19 December 2014 on a Depreciated Replacement Cost (DRC) basis by Bournemouth Borough Council. This was adopted by the Trustees in the accounts for the year ended 31 August 2014, on the basis of capacity available at each year end. The value of the buildings for depreciation purposes was identified as £17,500,000, excluding land of £600,000. The property is owned by Bournemouth Borough Council and leased to the Academy on a 125 year lease at a peppercorn rent.

15 Stock	2021 £	2020 £
Premises	-	6,027
Printing	-	2,547
Uniform	-	611
Catering	-	1,417
Other	-	2,140
	<u>-</u>	<u>12,742</u>

16 Debtors	2021 £	2020 £
Trade debtors	(128)	4,774
VAT recoverable	38,612	57,914
Prepayments and accrued income	173,101	211,813
Other debtors	7,601	23,845
	<u>219,186</u>	<u>298,346</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

17 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	221,709	250,560
Taxation and social security	101,951	95,142
ESFA creditor: abatement of GAG		180,614
Other creditors	116,126	116,447
Accruals and deferred income	63,971	91,825
	<u>503,757</u>	<u>734,588</u>

	2021	2020
	£	£
Deferred income		
Deferred Income at 1 September 2020	37,836	53,750
Resources deferred in the year	31,072	37,836
Amounts released from previous years	<u>(37,836)</u>	<u>(53,750)</u>
Deferred Income at 31 August 2021	<u>31,072</u>	<u>37,836</u>

Deferred income relates to:

School trips	1,545	1,545
Special unit funding deferred	-	25,157
Other fees and deposits	11,458	-
Rates grant	<u>18,069</u>	<u>11,134</u>
	<u>31,072</u>	<u>37,836</u>

18 Funds

a.	Balance at	Incoming	Resources	Gains,	Balance at
	31 August	resources	expended	Losses	31 August
	2020			and	2021
	£	£	£	transfer	£
Restricted general funds					
General Annual Grant (GAG)	642,876	5,956,021	(5,518,451)	(155,486)	924,960
Pupil Premium	-	252,120	(252,120)	-	-
Catch-up Premium	-	85,920	(85,920)	-	-
Other DfE/ESFA COVID-19 Funding	-	315,601	(315,601)	-	-
Other grants	-	438,852	(438,852)	-	-
Other COVID-19 funding	-	46,220	(46,220)	-	-
Donations reserve	5,233	5,157	(3,149)	-	7,241
Pension reserve	<u>(4,037,000)</u>	-	<u>(388,000)</u>	<u>(148,000)</u>	<u>(4,573,000)</u>
	<u>(3,388,891)</u>	7,099,891	<u>(7,048,313)</u>	<u>(303,486)</u>	<u>(3,640,799)</u>

BISHOP OF WINCHESTER ACADEMY TRUST

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

18 Funds (continued)

Restricted fixed asset funds

a.	Balance at 31 August 2020 £	Incoming resources £	Resources expended £	Gains, Losses and transfer £	Balance at 31 August 2021 £
DfE/EFA capital grants	130,816	23,587	(62,316)	-	92,087
Capital expenditure from GAG	853,516	-	(134,422)	155,486	874,580
Local authority capital grant	-	-	-	-	-
Local Authority transfer	16,000,000	-	(350,000)	-	15,650,000
	<u>16,984,332</u>	<u>23,587</u>	<u>(546,738)</u>	<u>155,486</u>	<u>16,616,667</u>
Total restricted funds	<u>13,595,441</u>	<u>7,123,478</u>	<u>(7,595,051)</u>	<u>(148,000)</u>	<u>12,975,868</u>
Unrestricted funds					
Unrestricted funds	327,702	26,191	(46,943)	-	306,950
Total unrestricted funds	<u>327,702</u>	<u>26,191</u>	<u>(46,943)</u>	<u>-</u>	<u>306,950</u>
Total funds	<u>13,923,143</u>	<u>7,149,669</u>	<u>(7,641,994)</u>	<u>(148,000)</u>	<u>13,282,818</u>

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

The general annual grant can be used for the furtherance of the Academy's educational activities.

The fixed asset funds have been used to buy capital assets in the Academy.

Unrestricted general funds may be used at the governors' discretion for the purposes of the Academy.

Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG it could carry forward at 31 August 2021. Note 2 disclosed whether the limit was exceeded.

BISHOP OF WINCHESTER ACADEMY TRUST

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

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

	Balance at 31 August 2019	Incoming resources	Resources expended	Gains, Losses and transfer	Balance at 31 August 2020
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	584,285	5,640,263	(5,359,144)	(222,528)	642,876
Pupil Premium	-	262,816	(262,816)	-	-
Other grants	-	721,400	(721,400)	-	-
Donations reserve	5,033	5,938	(5,738)	-	5,233
Pension reserve	(3,255,000)	-	(270,000)	(512,000)	(4,037,000)
	<u>(2,665,682)</u>	<u>6,630,417</u>	<u>(6,619,098)</u>	<u>(734,528)</u>	<u>(3,388,891)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	155,622	23,451	(48,257)	-	130,816
Capital expenditure from GAG	765,410	-	(134,422)	222,528	853,516
Local authority capital grant	8,437	-	(8,437)	-	-
Local Authority transfer	16,350,000	-	(350,000)	-	16,000,000
	<u>17,279,469</u>	<u>23,451</u>	<u>(541,116)</u>	<u>222,528</u>	<u>16,984,332</u>
Total restricted funds	<u>14,613,787</u>	<u>6,653,868</u>	<u>(7,160,214)</u>	<u>(512,000)</u>	<u>13,595,441</u>
Unrestricted funds					
Unrestricted funds	277,560	100,774	(50,632)	-	327,702
Total unrestricted funds	<u>277,560</u>	<u>100,774</u>	<u>(50,632)</u>	<u>-</u>	<u>327,702</u>
Total funds	<u>14,891,347</u>	<u>6,754,642</u>	<u>(7,210,846)</u>	<u>(512,000)</u>	<u>13,923,143</u>

BISHOP OF WINCHESTER ACADEMY TRUST

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

19 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2021
	£	£	£	£
Intangible fixed assets	-	-	4,607	4,607
Tangible fixed assets	-	-	16,612,060	16,612,060
Current assets	306,950	1,435,958	-	1,742,908
Current liabilities	-	(503,757)	-	(503,757)
Pension scheme liability	-	(4,573,000)	-	(4,573,000)
Total net assets 2021	306,950	(3,640,799)	16,616,667	13,282,818

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

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2020
	£	£	£	£
Intangible fixed assets	-	-	5,286	5,286
Tangible fixed assets	-	-	16,979,046	16,979,046
Current assets	327,702	1,382,697	-	1,710,399
Current liabilities	-	(734,588)	-	(734,588)
Pension scheme liability	-	(4,037,000)	-	(4,037,000)
Total net assets 2020	327,702	(3,388,891)	16,984,332	13,923,143

20 Capital commitments

There are no capital commitments at the year end.

21 Commitments under operating leases

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

	2021 £	2020 £
<u>Other</u>		
Amounts due within one year	20,058	14,261
Amounts due between one and five years	31,441	19,972
	51,699	34,233

BISHOP OF WINCHESTER ACADEMY TRUST

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

22 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2021	2020
	£	£
Net (expenditure) for the reporting period (as per the statement of financial activities)	(492,325)	(456,204)
Adjusted for:		
Amortisation (Note 13)	4,374	8,501
Depreciation (Note 14)	542,364	532,615
Capital grants from DfE and other capital income (note 3)	(23,587)	(23,451)
Interest receivable (Note 6)	(636)	(3,548)
Defined benefit pension scheme cost less contributions payable (Note 28)	323,000	210,000
Defined benefit pension scheme finance cost (Note 28)	65,000	60,000
Decrease in debtors	79,160	(43,634)
(Decrease) in creditors	(230,831)	283,086
Decrease in stock	12,742	5,522
Net cash provided by operating activities	279,261	572,888

23 Cash Flows from Investing Activities

	2021	2020
	£	£
Dividends, interest and rents from investments	636	3,548
Proceeds from sale of tangible fixed assets	-	6,641
Purchase of tangible and intangible fixed assets	(179,073)	(252,621)
Capital grants from DFE/EFA	23,587	23,451
Net cash (used in) investing activities	(154,850)	(218,981)

24 Analysis cash and cash equivalents

	At 1 September 2020	Cash flows	At 31 August 2021
	£	£	£
Cash in hand and at bank	1,399,311	124,411	1,523,722
	1,399,311	124,411	1,523,722

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

25 Analysis of changes in net debt

	At 1 September 2020	Cash flows	Other non-cash changes	At 31 August 2021
	£	£	£	£
Cash	1,399,311	124,411	-	1,523,722
Total	1,399,311	124,411	-	1,523,722

26 Contingent Liabilities

During the period of the Academy Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds or the sale or disposal as equates with the proportion of the original cost met by the Secretary of State. Upon termination of the Academy Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to: (a) the value at the time of the Academy's site and premises and other assets held for the purpose of the Academy; and, (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

As referred to in note 2 calculations on the GAG carried forward shows that the required limits exceed the 12% of GAG calculation by £198,954. Due to Covid the Trust has been unable to undertake capital spend as necessary and will be looking to use these funds in the future.

27 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.

28 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 Dorset County Pension Fund. Both are multi-employer defined benefit pension schemes.

Total pension cost for the year	2021 £	2020 £
TPS: Contributions paid	700,817	642,431
LGPS:		
Contributions paid	204,762	164,095
FRS102 adjustment	323,000	210,000
	527,762	374,095
	<u>1,228,579</u>	<u>1,016,526</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

28 Pension and similar obligations (continued)

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £103,744 (2020: £93,639) were payable to the schemes at 31 August 2021 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' 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' Pensions 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:

- an increase in employer rates from 16.48% to 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The pension costs paid to TPS in the year amounted to £905,579 (2020: £896,875).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

28 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £255,000 (2020: £218,000) of which employer's contributions totalled £199,000 (2020: £168,000) and employees' contributions totalled £56,000 (2020: £50,000). The agreed contribution rates for future years are 20-22% for employers and 5.5-12.5% for employees.

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

Principal Actuarial Assumptions

	At 31 August 2021	<i>At 31 August 2020</i>
Rate of increase in salaries	3.90%	3.30%
Rate of increase for pensions in payment / inflation	2.90%	2.30%
Discount rate for scheme liabilities	1.65%	1.60%
Inflation assumption (CPI)	2.90%	2.30%
Commutation of pensions to lump sums	50.00%	50.00%

Sensitivity Analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set below.

Change in assumptions at 31 August 2021	£'000	£'000	£'000
Adjustment to discount rate	0.10%	0.00%	-0.10%
Present value of total obligation	7,767	7,948	8,133
Projected service cost	600	622	645
Adjustment to mortality age rating assumption	+ 1 year	None	-1 year
Present value of total obligation	8,283	7,948	7,627
Projected service cost	649	622	596

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

28 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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	<i>At 31 August 2020</i>
<i>Retiring today</i>		
Males	23.1	23.3
Females	24.6	24.8
<i>Retiring in 20 years</i>		
Males	24.4	24.7
Females	26.1	26.2

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

	Fair value at 31 August 2021	<i>Fair value at 31 August 2020</i>
	£'000	<i>£'000</i>
Equities	1,849	1,334
Diversified Growth Fund	224	148
Liability Driven Investment	398	312
Property	296	257
Cash	54	27
Other bonds	187	206
Infrastructure	208	176
Secured income funds	-	14
Multi Asset Credit	159	117
Total market value of assets	3,375	2,591

The actual return on scheme assets was £574,000 (2020: £118,000).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

28 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Amounts recognised in the statement of financial activities

	2021 £'000	2020 £'000
Current service cost (net of employee contributions)	(522)	(378)
Net interest cost	(63)	(58)
Administration expenses	(2)	(2)
Total operating charge	(587)	(438)

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

	2021 £'000	2020 £'000
At 1 September	6,628	5,969
Current service cost	522	378
Interest cost	106	110
Change in financial assumptions	905	489
Change in demographic assumptions	(80)	(123)
Experience loss/(gain) on defined benefit obligation	(146)	(176)
Past service costs	-	-
Employee contributions	56	50
Benefits paid	(43)	(69)
At 31 August	7,948	6,628

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

	2021 £000	2020 £000
At 1 September	2,591	2,714
Interest income	43	52
Return on plan assets (excluding net interest on the net defined pension liability)	531	(170)
Other actuarial gains/(losses)	-	(152)
Administration expenses	(2)	(2)
Employer contributions	199	168
Employee contributions	56	50
Benefits paid	(43)	(69)
At 31 August	3,375	2,591

The estimated value of employer contributions for the year ended 31 August 2022 is £209,000.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

29 Related Party Transactions

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

There were no other related party transactions in the period other than certain trustees' remuneration and expenses already disclosed in note 10.

30 Agency Arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2021 the Trust received £12,069 (2020: £16,092), and disbursed £24,441 (2020: £11,723) from the fund, which includes 5% administration costs. An amount of £4,154 (2020: £16,525) is included in sundry creditors relating to undistributed funds carried forward.