

Bishop Wordsworth's Church of England Grammar School for Boys

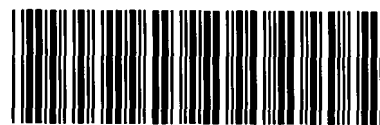
(A Company Limited by Guarantee)

Eighth Annual Report and Financial Statements

Year ended 31 August 2018

Company Registration Number: 7525856 (England & Wales)

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Bishop Wordsworth's Church of England Grammar School for Boys

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REFERENCE AND ADMINISTRATIVE DETAILS

Members: The Bishop of Salisbury (Represented by Brig R N Wertheim)
The Salisbury Diocesan Board of Education (Represented by Mrs J Ranaboldo)
The Chapter of Salisbury Cathedral (Represented by Canon E Probert)
The Chair of Governors

Governors (Trustees) Miss M J Horsburgh MA(Oxon) (Chair)
Brigadier R N Wertheim *MA (Cantab) (Vice Chair & Representing the Bishop)
Prof A J Bell MA (Oxon) PhD
Mr J R B Blake *
Dr G Branagan * (Parent Governor)
Mr R Dormer BSc (to 22 February 2018)
Mr K G M Flynn * (from 4 May 2018)
Mr M Francis-Pollin BA MSc (Parent Governor)
Dr S Ghauri MA MD FRCS (Co-opted Governor)
Mrs R Harwood Lincoln
Mr J Hastings
Mr B D Jones (from 29 November 2017)
Dr K J Monserrat D Phil* (to 19 May 2018)
Mr J M Oldham * (from 19 October 2017)
Canon E Probert MA BA
Mrs J Ranaboldo LLB
Mrs C Short BA (Staff Governor to 28 November 2017)
Mr J P B Ward BA * (to 15 March 2018)
Dr S D Smallwood PhD * (Headmaster and Accounting Officer)

Company Secretary Lieutenant Colonel D J Peerless BSc MSc

Leadership Team: Dr S D Smallwood PhD (Headmaster)
Mr G Lloyd MA (Deputy Headmaster, Curriculum Director, Sixth Form oversight)
Dr E Baker BSc, PhD (Director of Science)
Mr R Burnside BA (Head of Sixth Form to 31 December 2017)
Mr A Griffin-Raphael BSc MRSC (Designated Safeguarding Lead)
Mr A Harmsworth BSc (Director of Assessment & ICT)
Mrs M Jenner BSc (Head of Middle School)
Mr J Moore LLB MSc ACMA (Bursar)
Mr J Rogers BSc (Assistant Head, Performance Management & Appraisal, CP Development, i/c Initial Teacher Training)
Mrs H Taylor MA (Head of Lower School)

* Member of Finance and Audit Committee

Bishop Wordsworth's Church of England Grammar School for Boys

REFERENCE AND ADMINISTRATIVE DETAILS (Continued)

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

GOVERNORS' REPORT

1. The Governors present their eighth Annual Report together with the Financial Statements and Auditors' Report of Bishop Wordsworth's Church of England Grammar School for Boys, the charitable company, (the School) for the 12 months to 31 August 2018. The Annual Report serves the purposes of both a trustees' report, and a directors' report under company law.
2. **Principal Activities.** The Trust is an academy that provides secondary education for boys from 11-18 years of age and had 945 pupils on roll at the end of the 2017/18 academic year. It offers a balanced and broadly based curriculum until the age of 16, an 'A' Level curriculum from age 16 to 18 and prepares boys for external examination and subsequent entry to higher education in a wide range of academic disciplines. Pupils are mainly drawn from the Salisbury area at age 11 and, at Sixth Form entry, from a wider area across South Wiltshire and West Hampshire. As well as academic work, the School offers an extensive and highly successful programme of extra-curricular activities for pupils from across the entire age range. The School is a selective school within the meaning of section 6(4) of the Academies Act 2010 and is designated with a religious character as Church of England. The Christian tradition is central to the core values of the School.

STRUCTURE GOVERNANCE AND MANAGEMENT

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

Bishop Wordsworth's Church of England Grammar School for Boys

GOVERNORS' REPORT (Continued)

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

GOVERNORS' REPORT (Continued)

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

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

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

(1) **Evaluation Committee.** The Evaluation Committee meets annually to evaluate the performance of the Governing Body and to propose improvements if appropriate.

(2) **Finance & Audit Committee.** The Finance and Audit Committee is concerned with the School's financial management, budget strategy and receiving/ actioning financial system reports from the Internal Auditor and from the external auditors.

(3) **The Admissions Property Health and Safety Committee.** The Admissions Property, Health and Safety Committee has differing roles: responsibility within Government requirements for the policy governing all admissions to the School, consideration of matters related to the premises, the grounds, the Sports Hall and the safety of all those who work at or attend the School.

GOVERNORS' REPORT (Continued)

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

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

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

f. **Audit.** The public fund accounts of the School are audited annually. To assist in the financial management of the School, the Governing Body has appointed the auditing firm Fawcetts LLP as the Internal Auditor to undertake regular reviews of all financial processes and procedures; the Internal Auditor provides review reports to the Finance and Audit Committee at least every term.

12. **Minutes.** Meetings are minuted by the Company Secretary and circulated to all governors. Minutes of the Governing Body and of Annual General Meetings are posted on the School Website under 'Governors and Governance'. All minutes, including those of sub-committees, are available for inspection in the Company Secretary's Office or by email on request. The Headmaster (who is a governor and the Accounting Officer), Deputy Headmaster and Bursar are involved in the work of all these committees and act in partnership with the Governors.

13. **Organisational Structure - School Staff.**

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

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

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

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

(4) Director of Science, Newly Qualified Teacher Induction Tutor, Designated Safeguarding Lead.

(5) Assistant Head - Director of Assessment & ICT, timetable production.

(6) Assistant Head – Designated Safeguarding Lead.

(7) Bursar - Budget & Finance, Estate, Health & Safety, HR, Professional Support Staff & Data Protection Officer

GOVERNORS' REPORT (Continued)

(8) Head of Lower School.

(9) Head of Middle School.

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

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

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

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

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

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

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

(2) **Pastoral Organisation.** The School is divided into three sections. During the period, the Lower School comprised Years 7-8 (Key Stage 3), the Middle School Years 9-11 (Key Stage 4) and the Upper School Years 12-13 (the Sixth Form). The Heads of Lower and Middle School (each with an assistant) work with tutor teams who they meet regularly. The role of the tutor is crucial because high academic standards and pupil welfare are seen as interlinked; hence many full-time members of staff act as tutors in which role they combine the roles of pastoral carer and academic manager of the pupils in their care. Sixth Form boys are assigned an academic mentor; the Mentor Team meets regularly with the Head of Sixth Form. Supplementary pastoral support is provided by the Senior Tutor and the Special Educational Needs & Disabilities Co-ordinator ensures that any particular learning needs are considered and appropriate interventions made.

GOVERNORS' REPORT (Continued)

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

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

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

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

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

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

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

GOVERNORS' REPORT (Continued)

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

a. **Relevant Union Officials.**

Number Of Employees Who Were Relevant Union Officials During The Period	Full-Time Equivalent Employee Number
3	3

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

Percentage of Time	Number of employees
0- 0 99%	1
1% to 50%	2
51% to 99%	
100%	

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

Total Cost of Facility Time	£2302
Total Pay Bill	£3,529,471
Percentage of Total Pay Bill Spent on Facility Time (total cost of facility time ÷ total pay bill) × 100	0.065%

d. **Paid Trade Union Activities.**

Time spent on paid trade union activities as a percentage of total paid facility time hours (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	100%
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17. **Related Parties & Other Connected Charities and Organisations.** The School is not connected in a corporate sense with any other bodies but does co-operate in Sixth Form teaching with South Wilts Grammar School for Girls. This co-operation takes the form of some Sixth Form subjects being taught only in one school but open to pupils from both and some subjects being taught at both schools. . The cost of teaching provision is assessed by each school annually and appropriate financial transfers are made.

GOVERNORS' REPORT (Continued)

OBJECTIVES AND ACTIVITIES

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

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

19. **Objectives, Strategies and Activities.** The prime objective for this year was the continuity of provision of outstanding education to pupils with reducing real term Government funding per pupil of 1.7%. The main strategy for achieving this is the continued increase in pupil numbers, with an additional form of entry since September 2017, when the intake will rise from the current 128 to 160, and continued action to improve donations and other income, in particular by maintaining and expanding the School Foundation.

20. **Public Benefit.** In setting objectives and planning activities the Governing Body has given due regard to the guidance on public benefit published by the Charity Commission's in exercising their powers or duties. Public benefit is in providing education in accordance with the Principal Activities at Paragraph 2, in promoting social mobility and, additionally, in providing language classes, sports hall facilities and other activities to local residents and clubs (see Paragraph 23).

STRATEGIC REPORT - ACHIEVEMENTS AND PERFORMANCE

21. **Educational Performance.** Both GCSE and 'A' Level results were at or above expectations:

- a. **GCSE.** This was the first year for the majority of GCSEs on the new 9 to 1 grades, with only Business Studies & Economics, Design & Technology, Further Maths and PE still using letter grades. The Year Group was 124.
 - (1) 69.0% of the grades were at either A*- A or 9-7 (a slight increase on last year) although only 17 boys (13.7%) passed all their GCSEs at A*- A/9-7.
 - (2) 100% gained at least 5 good (ie A* to C/ 9-4) GCSEs including Maths and English, 78% gained at least 5A*- A/ 9-7 grades.
 - (3) 53% passed their English Baccalaureate with a 'strong' pass' (5 or greater) in English and Maths. A new accountability measure, School Average EBacc score (which replaces the % figures), was 6.75). EBacc scores remain depressed due to the numbers taking History iGCSE which is not an accredited DfE course. There were also 3 pupils who did not sit a Language GCSE.

GOVERNORS' REPORT (Continued)

b. **'A' Level.** The Year Group was 144. 7.19% of grades were at A*-B and 14.7% at A*: a slightly decrease from last year. All but 4 boys achieved 3 or more passes (A*-E) and 55.6% achieved 3 or more passes at B or above. 7 boys achieved A* in all their 3 or more A Levels and a further 27 achieved at least 3 A Levels at A* or A.

c. **University Entry.** 123 out of 145 (84%) of boys secured their first choice of university and the university entry breakdown is as follows:

Oxbridge	8
Other Russell Group	70
Other Universities	67.

These numbers include university re-applicants from previous years.

d. **Gap Year.** As usual, a number of boys chose to take a gap year in 2018-2019 and many of those will apply for university entry for September 2019.

e. **Extra-curricular.** The School offers a wide variety of sports and competes against other schools. Apart from the usual sports and extra-curricular activities, cooking is taught in years 7 and 12 and the School runs a highly subscribed programme of training towards the Duke of Edinburgh scheme awards. In the period there were 9 Gold and 40 Bronze completions. The training requires a large staff commitment and the programme is supported by H5 Adventure who deliver the expedition sections. In the year starting 1 September 2018, the option of Silver will be added for Year 10s and the Bronze award now taken by Year 9.

22. **Investment Performance.** During the year temporary cash surpluses were invested in the CCLA CBF Church of England Fund which had a total return of 13.1%.

23. **Provision of Local Facilities.** During the year the following facilities have been provided on repayment:

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

b. **Language Classes.** Provision of evening classes: Italian, French, Spanish, German and Mandarin.

c. **Painting Classes.** Provision of classroom space for external instructors.

d. **Eleven Plus Familiarisation and Key Stage 2 Booster Classes.** Provision of classes: parents on state benefits are eligible for free or subsidised places in order to promote social mobility.

24. **Key Performance Indicators.** The key indicators are:

a. **Indicator 1 – In year Performance.** The year-end revenue cash balance is within 2% of the agreed budget.

(1) **Outcome.** The year-end figure (before pension scheme actuarial gains/losses, depreciation & capital expenditure and grants) was a £69.4K surplus and the budget was for a £24.6K surplus. Therefore, on £4.88M turnover (income less capital grants) the variance was 0.9% and the performance requirement was met.

GOVERNORS' REPORT (Continued)

b. **Indicator 2 – Financial Projections.** That the budget projections for the current year and for each of the following two years should balance in year to within a 2% surplus or 2% deficit of turnover but also balance within an aggregate of 3% surplus or 1% deficit (of one year) over the three year period.

(1) **Outcome.** The projections were: 2017/18 - £24.6K surplus; 2018/19 - £1.5K surplus and 2019/20 – £83.5K deficit. At respectively, 0.53% (surplus), 0.03% (surplus) and 1.7% (deficit) of turnover, both elements of this indicator were easily met: the three year aggregate being a 0.39% deficit.

(2) **Action.** Governors are not complacent because the current projection for 2019/20 is for a deficit of £83.5K rising to £107.8K in 2020/21 as the full effects of the New Funding Formula (NFF) and increased national insurance contributions are still not clear. Additionally, the increase in pupil numbers of 32 in each year group is still working up through the School whereas the funding lags the extra costs by a year. Therefore saving and new income flows will continue to be sought, the latter in particular from the new Foundation and by the admission of girls to the Sixth Form.

c. **Indicator 3 - GCSE Performance.** That the results are equal to or better than the following:

(1) 70% of all grades 9 to 7/ A* or A. Outcome: narrowly missed at 69.0%

(2) 100% of all grades at 4 or above. Outcome: 98.5% at 4 or above in those subjects that are on the new grading system; 92.9% at 4/C or greater when including all subjects on new and old grading systems.

d. **Indicator 4 – 'A' Level Performance.** That the results are equal to or better than the following:

(1) 65% of all grades A* to B. Outcome: exceeded at 71.9%

(2) 100% of all boys awarded 3 or more 'A' levels. Outcome: missed at 97.2%

e. **Indicator 5 – Ofsted Grading.** That the Ofsted grading is 'outstanding'. Outcome: there has been no inspection in the period.

25. **Going Concern.** After making appropriate enquiries, the Governing Body has a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

GOVERNORS' REPORT (Continued)

FINANCIAL REVIEW

26. The Statement of Accounts and Auditors' Report commences at Page 29. It complies with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2015).

27. **Income.** The Accounts show that the main incoming resources were from Government educational funding which, before capital grants, totalled (previous year in brackets) £4,149K (£4,208K) which is another DfE funding reduction of £59K. Income from other trading activities was £607K (£551K) which included another increase in income for facilities hire at £94.9K (£90.6K). Income from donations and private sources was £67K (£2.4K) but solely because more income appeal monies were requested from the private trusts and subsequently gifted. The total income in the current year was £1.2M less than for the previous year but this decrease was because of the large volume of capital grants of £1.3M in the previous year. It should be noted that the Educational Supplies & Services income of £134.9K in Note 4 has corresponding expenditure under other headings in Note 7 as has the Visits and Trip income of £47.9K.

28. **Expenditure.** All expenditure was to support the provision of educational activities. The main expenditure was on staff remuneration and costs which slightly decreased to £3,547K (£3,672K): therefore staff costs have been reduced by £474K, ie 11.8%, in the six years to 31 August 2018. The total staff costs for the year included a reduction to £672.3K (£674.3K) for Support Staff costs. Other significant expenditure was £408K (£396K) on depreciation; £206K (£K190) on Educational Supplies and Consumables, £173.8K (£118K) on maintenance of premises and equipment; £117K (£114K) net of income on examination fees; £81K (£77K) on cleaning and £71K (£77K) on lighting & heating. Pension Service Costs decreased to £114K (£132K) due to the improved investment outlook.

29. **Excess of Income.** Before depreciation and capital grants, the income exceeded the resources expended on expenditure and management by £69.4K which represents 0.9% of turnover but this figure excludes the support staff defined benefit pensions' deficit inherited from Wiltshire Council. The deficit was re-assessed by projecting the last actuarial valuation (for FRS 102 purposes) to 31 August 2018 and was £515K (£742K). The actuarial gain was £341K (£905K) and was mainly caused by a change in financial assumptions: in particular a reduction in the discount rate due to the outlook for fixed interest investments. However, it should be noted that this is an accounting standard assumption, that only 14% of the pensions fund is invested in fixed interest and that therefore the actual position may be significantly different.

30. **Tangible Fixed Assets.** The tangible fixed assets of the School consist of owned and leased land and buildings, computer equipment and motor vehicles which are shown on the Balance Sheet at a total of £16.54M (£16.48M): the increase is due several factors including depreciation and the reduction in the Support Staff Pension Scheme deficit.

GOVERNORS' REPORT (Continued)

31. **Reserves.** The policy for reserves is at Paragraph 35 below, further details are as follows:

- a. At 31 August 2018 the value of free reserves held was £304,443 (2017: £131,671).
- b. At 31 August 2018 the Restricted Income Funds totalled £478,998 (2017: £479,256) which is included in the Total restricted Funds of £16,233,203 (2017: £16,350,049)
- c. No material funds have been designated.
- d. Noting that the land and buildings are not owned by the School, the funds that could only be realised by disposing of tangible fixed assets (including the land and buildings) amount to £16,269,205 (2017: £16,612,793).
- e. Comparison of Reserves with Reserves Policy: see Paragraph 35 below. The restricted funds not available for general purposes of the Academy Trust at 31 August 2018 are the values of the land and buildings which amount to £16,153,620 (2017: £16,530,235).
- f. The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2018 amounts to £17,052,646 (2017: £17,233,720).
- g. There is a deficit on the Pension Reserve of £515,000 (2017 £742,000) as commented on at paragraphs 29 and 34.

32. **Total Fund Value.** The value of the fund is £16,537,646 (2017: £16,481,720). However, this fund value only has an accounting standard significance because almost all the fixed assets are land and buildings and therefore are not able to be realised and also because the pension deficit is calculated as required by the accounting standard.

33. **Financial Highlights.** The capital grant of £1.31M in the previous period for a new classroom block has enabled an extra 32 pupils a year to be taught. As the increase works through each year group, the resultant economies of scale are hoped to allow the School to remain viable during this prolonged period of financial pressure. Non-capital funding has reduced by 11.8% in cash terms since 2012, or rather more taking inflation into account, even though pupil numbers have increased. During this six year period costs have been reduced every year in spite of inflationary and other pressures: in particular the continually increasing employer's contribution to the teachers and support staffs' pension funds. The latter, after nearly doubling last year, rose again significantly because the employer's contribution from 1 September 2017 was raised to 24%.

34. **Financial and Risk Management Objectives and Policies.** Surplus monies are invested for the medium term in the CCLA CBF Church of England fund, a low risk income share account, and otherwise in very low risk high interest accounts. There are no long term trade creditors. Therefore, apart from the areas listed at Paragraph 37 below, the only material risk is the deficit on the staff defined pension scheme. However, Subparagraph 37b below notes that any debt on School closure would be met by the Government. An FRS 102 actuarial review valuation was carried out by Wiltshire County

GOVERNORS' REPORT (Continued)

Council as at 31 August 2015 and this valuation was projected to 31 August 2018 (as noted at Paragraph 29). The principal financial management policy during the year was to continue to provide a high standard of education with reducing income per pupil particularly in the Sixth Form.

35. Reserves Policy. Governors consider that the reserves should be sufficient for 2 months' of operation over and above planned capital expenditure, ie circa £850,000. However, to achieve this in the short term while Government income is severely constrained would entail critical cuts in expenditure with the result that current pupils would suffer. Therefore, in the medium term, reserves will be maintained and in time increased by balancing income and expenditure and, when possible, by the introduction of additional funding streams.

36. Investment Policy. Governors have the power to make investments. The investment policy is that any significant accumulation of funds be invested in the CCLA CBF Church of England fund, a low risk income share account, or otherwise in a very low risk high interest account. Given that there is no significant opportunity for investment, it is not material for social, environmental or ethical considerations to be taken into account.

PRINCIPAL RISKS AND UNCERTAINTIES

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

- a. **Deficit.** The Company runs into deficit (excluding pension liabilities). This risk continues to increase because of lack of protection for government funding per pupil in the Sixth Form, the uncertainty of any inflation increases, the rise in national insurance contributions and the introduction of other post 16 education facilities in Salisbury. Mitigation: The Finance and Audit Committee, working with the Headmaster and Bursar, have continued to develop the medium term financial forecast to 3 years ahead and a longer term forecast to 5 years ahead. The new initiative to admit girls from September 2020 into the Sixth Form will raise numbers and therefore income. Additionally, work continues to develop sources of additional income and to make cost savings where possible as described above at Paragraph 19 and Subparagraph 24b(2).

GOVERNORS' REPORT (Continued)

- b. **Pension Liabilities.** Support staff pension liabilities become unsustainable. Mitigation: review annually and increase contribution rate as recommended by the Actuary and agreed by Wiltshire Council pension managers but noting that the Government has stated that any deficit would be met if the School closed.
- c. **Additional Staffing Liabilities.** Increased in-year liabilities due to staffing issues: maternity, long term illness, tribunals and redundancy. Mitigation: build annual contingency into budget and accumulate unused contingency in-year to a reserve.
- d. **Finance Skills/ Misuse of Funds.** Financial controls and/or financial staff training may not be robust enough to identify possible problems. Mitigation: a firm of chartered accountants has been appointed to provide an internal audit service to conduct a running monthly review of systems and account entries. All internal audit comments, together with any comments from the annual audit are considered and actioned as appropriate by the Finance and Audit Committee.
- e. **Other Financial Risks.** Financial risks, including credit, cash flow and liquidity risks, are considered minimal and are therefore not material for an assessment of the Academy's position.
- f. **Loss of Use of Bishopgate Site.** The School has limited security of tenure (5 year rolling lease) but the site provides of classrooms and some offices which it would be difficult to replace elsewhere because of site space limitation. Mitigation: noting that the likelihood of losing the site is very low, seek to obtain ownership.
- g. **Major Disaster.** Fire, explosion, flooding, vandalism/ burglary. Mitigation: policies to minimise risk and the maintenance of the Major Incident Plan.
- h. **Major Failure in Governance.** Mitigation: robust internal management/ monitoring systems, third party insurance, annual review of policies and procedures.
- i. **Staffing Issues.** Mitigation: recruitment procedures, robust performance management, staff briefing and social events, involvement of staff in staff policies.
- j. **Pupil Issues.** Mitigation: pastoral care and mentoring systems, external academic monitoring, trip risk management, child protection and safeguarding procedures.

FUNDRAISING

- 38. Funds are raised from two sources:
 - a. **Parents.** Parents are invited to donate to the School via Gift Aid and also towards the cost of public examinations.
 - b. **Previous Pupils.** A Bishop Wordsworth's Foundation has now been set up. Various social and educational events are held during the year for fee paying access by old Wordsworthians and their guests.
- 39. Professional fundraisers are not employed and there are no commercial participators.

GOVERNORS' REPORT (Continued)

40. It is not considered that there is undue pressure to donate particularly on vulnerable people and the only complaints are from some parents or members of the public that consider that state schools should be entirely publicly funded with no requirement to raise additional funds.

PLANS FOR FUTURE PERIODS

41. The main aims and key objectives for the next three years are as follows:

- a. To balance income and expenditure by continuing to decrease expenditure and developing initiatives, particularly the Foundation, to generate additional income including the pupil increases noted below.
- b. To increase the number of pupils to 160 year by year for each year group in the Lower and Middle School by the addition of a fifth tutor group which commenced in year seven in September 2017.
- c. To increase the numbers in the Sixth Form by admitting girls from September 2020. This should enable an increase the range of subjects that can be taught; improve the social and academic ethos of the Sixth Form; give more flexibility for timetabling etc than allowed by the current collaboration with South Wilts Grammar School; provide a Sixth Form for girls in Salisbury with a Christian ethos and bring in additional finance which will balance Sixth Form expenditure better with that of the rest of the School.
- d. To drive up academic standards, quality of teaching and quality of outcomes for all pupils.
- e. To encourage more social mobility through the use of appropriate strategies to attract boys who are disadvantaged by their backgrounds.
- f. To use Academy Status as a platform for developing excellence and working within funding available with other primary and secondary schools to enhance educational quality in the region.
- g. Further development of work with other schools in the areas of Continuous Professional Development and Initial Teacher Training.
- h. Further development of links with Higher Education, local community and business, and a broad range of other activities to utilise better the school's facilities during out-of-hours periods.
- i. To expand extra-curricular activities on a manageable, sustainable & affordable basis, encourage staff involvement and establish a national reputation for the School in extra-curricular provision.
- j. To continue to improve the School site.
- k. To continue to improve the quality of support and challenge for Middle School and Sixth Form pupils through mentoring and target setting in order to improve standards and results and so improve access to the most competitive institutions of higher education.

GOVERNORS' REPORT (Continued)

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

AUDITOR

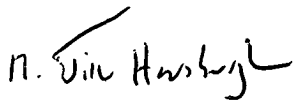
43. In so far as the Governors are aware:

- a. There is no relevant audit information of which the Charitable Company's Auditor is unaware.
- b. The Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

44. It is expected that the Auditors will be reappointed by the Members for the year to 31 August 2019.

APPROVAL

45. This Governors' Report, incorporating a strategic report, was approved by order of the Board of Governors, as Trustees and the Company Directors, on 28 November 2018 and signed on the Board's behalf by:



Miss J Horsburgh
Chair of the Governing Body and the Academy Trust
28 November 2018

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

47. The Governing Body has delegated the day-to-day responsibility to the Headmaster, 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 Bishop Wordsworth's School and the Secretary of State for Education. He is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

GOVERNANCE

48. The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has met formally five times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings Attended	Out of a Possible
Miss M J Horsburgh (Chair)	5	5
Prof A J Bell	3	5
Mr J R B Blake	2	5
Dr G Branagan	5	5
Mr R Dormer	1	2
Mr M Francis-Pollin	5	5
Mr K G M Flynn	1	2
Dr S Ghauri	5	5
Mr J Hastings	4	5
Mrs R Harwood Lincoln	5	5
Mr B Jones	1	3
Dr K J Monserrat	0	3
Mr J Oldham	3	4
Canon E Probert	3	5
Mrs J Ranaboldo	4	5
Mrs C Short	1	2
Dr S D Smallwood	5	5
Mr J P B Ward	0	2
Brig R N Wertheim	4	5

49. **Key Governor Changes.** At the start of the period Mrs Ranaboldo did not offer herself for reappointment as Chair of Governors and Miss Horsburgh was elected. Brig Wertheim was elected as Vice Chair. Additionally, Mr Papé resigned as a governor and as the Representative of the Salisbury Diocese Board of Education, a corporate member, and was replaced as their representative by Mrs Ranaboldo. Additionally, Brig Wertheim was elected as Chair of the Finance and Audit Committee and Mrs Ranaboldo as Chair of the Pay and Staffing Committee.

GOVERNANCE STATEMENT Continued)

50. **Significant Challenges.** The main challenges have been in continuing to prepare the School classroom accommodation and the staff structure for the year by year increase in numbers due to the intake increase to 160 from September 2017 and also assuring financial viability due to decreased real funding per pupil while retaining the quality and ethos of the School.

51. **Governance Reviews.** Governors conduct a self-evaluation review annually. Their conclusion this year was that governor skill sets might be utilised better and that work was required to see if the governor link system with School staff was effective.

52. **Finance and Audit Committee.** The Finance and Audit Committee is a sub-committee of the main Governing Body. Its purpose is to oversee all aspects of public finance including receiving reports from the external auditors/reporting accountants and the Internal Auditor. During the year Brig R N Wertheim joined the Committee. The main issues during the year were to construct a budget with real term reduced funding for the 2017/18 year, to monitor expenditure against budget during the year, to consider requests for out of budget expenditure and to consider recommendations by the Internal Auditor and implement them as appropriate. Attendance at the three meetings in the year was as follows:

Governor	Meetings Attended	Out of a Possible
Brig R N Wertheim	3	3
Dr K Monserrat	2	3
Mr J R B Blake	0	3
Dr G W Branagan	2	3
Mr K G M Flynn	0	1
Mr J M Oldham	1	3
Mr J Ward	1	1
Dr S D Smallwood	3	3

REVIEW OF VALUE FOR MONEY

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

54. The Headmaster considers how the School's use of its resources has provided good value for money during each academic year and reports to the Governors where value for money can be improved, including the use of benchmarking data where available. The Headmaster has delivered improved value for money during the year by:

- Continuing to provide a high standard of education, despite cuts in funding, with a high percentage of pupils achieving excellent exam results and going on to university: see Paragraph 21.
- Increasing pupil numbers: see Subparagraph 41b.
- Maintaining extra-curricular activities available as listed at Sub- paragraph 21e.
- Continuing to provide local facilities as listed at Paragraph 23.
- Working with, and assisting, local schools.

GOVERNANCE STATEMENT Continued)

INTERNAL CONTROL AND RISK

55. The Purpose of the System of Internal Control. The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of School policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bishop Wordsworth's School for the period from 1 September 2017 to 31 August 2018 and up to the date of approval of this Annual Report and Financial Statements.

56. Capacity to Handle Risk. The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the School's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Governing Body.

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

- a. Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body.
- b. Regular reviews by the Finance and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- c. Settings targets to measure financial and other performance.
- d. Clearly defined purchasing (asset purchase or capital investment) guidelines.
- e. Delegation of authority and segregation of duties.
- f. Identification and management of risks.

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

GOVERNANCE STATEMENT Continued)

carried out in the period included testing/ reviewing:

- a. That the mandatory requirements of the Academies Financial Handbook were in place.
- b. A sample of payroll payments: agreeing back to contracts and personnel files.
- c. A sample of purchase invoices through the purchase cycle.
- d. Receipts of grant income from the Education and Skills Funding Agency and other government bodies and checking that the amounts agreed to source documentation and were correctly entered in the accounting records.
- e. That bank reconciliations were being prepared accurately, on a timely basis and were being reviewed by someone independent to the bank reconciliation preparation.
- f. That financial reports to governors were correct, gave a clear picture and had explanations of any variations from budget.
- g. The Reserves and Investment policies.
- h. The Depreciation and Capitalisation policy.
- i. That there were procedures minimise exposure to external/ cyber fraud.
- j. That a Hospitality Register was in place.
- k. The Asset Register.
- l. The Tender and quote procedure.
- m. That the Register of Business Interests was up to date and published on the Website.

59. Internal Audit Reports. The Internal Auditor reports to the Finance and Audit Committee at least termly on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. There were no material, control or other issues reported by the Internal Auditor in the period. Weaknesses identified were considered and appropriate action taken to improve the financial system.

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

- a. The work of the Internal Auditor which has also been considered by the Finance and Audit Committee
- b. The work of the external auditor.
- c. The financial management and governance self-assessment process.
- d. The work of the executive managers within the School who have responsibility for the development and maintenance of the internal control framework.

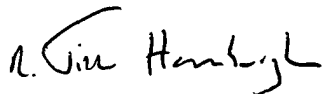
Post System Review Action. The Accounting Officer has been advised of the implications of the result of the review of the system of internal control by the Internal

GOVERNANCE STATEMENT (Continued)

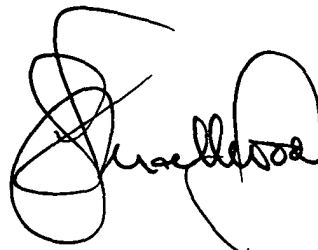
Auditor on behalf of the Finance and Audit Committee and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

APPROVAL

61. Approved by order of the Governing Body on 28 November 2018 and signed on its behalf by:



Miss J Horsburgh
Chair of Governing Body and Academy Trust



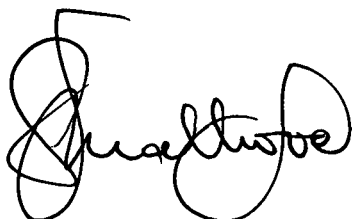
Dr S D Smallwood
Accounting Officer

STATEMENT ON REGULARITY PROPRIETY AND COMPLIANCE

62. As Accounting Officer of the Academy Trust I have considered my responsibility to notify the Academy Trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

63. 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 2017.

64. 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 Governing Body and the EFA.

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

Dr S D Smallwood
Accounting Officer
28 November 2018

STATEMENT OF GOVERNORS' RESPONSIBILITIES

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

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

- a. Select suitable accounting policies and then apply them consistently.
- b. Observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.
- c. Make judgements and estimates that are reasonable and prudent.
- d. State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statement.
- e. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

STATEMENT OF GOVERNORS' RESPONSIBILITIES (Continued)

APPROVAL

70. Approved by order of the Governing Body on 28 November 2018 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'J. Horsburgh', with a stylized flourish at the end.

Miss J Horsburgh

Chair of Governing Body and Academy Trust

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BISHOP WORDSWORTH'S SCHOOL ACADEMY

Opinion

We have audited the financial statements of Bishop Wordsworth's Church of England Grammar School for Boys (the 'academy trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issues by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Report of the Governors (including Strategic Report), other than the financial statements and our Report of the Auditors thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BISHOP WORDSWORTH'S SCHOOL ACADEMY

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 Report of the Governors, which includes the Report of the Directors and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors included within the Report of the Governors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 the Report of the Directors included within the Report of the Governors.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 set out on page 22, the Governors (who are also directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Ellingham BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Fawcetts LLP
Chartered Accountants & Statutory Auditors
Windover House, St Ann Street,
Salisbury SP1 2DR
Dated: 28 November 2018.....

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

In accordance with the terms of our engagement letter dated 23 September 2016 and further to the requirements of the Education Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bishop Wordsworth's Academy during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Bishop Wordsworth's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 have not been

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

The work undertaken to draw to our conclusion includes:

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

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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Simon Ellingham BA FCA DChA (Reporting Accountant)

for and on behalf of Fawcetts LLP

Chartered Accountants & Statutory Auditors

Windover House

St Ann Street

Salisbury

SP1 2DR

Dated: 28/11/2018

ACCOUNTS OF
BISHOP WORDSWORTH'S
CHURCH OF ENGLAND GRAMMAR SCHOOL
FOR BOYS

FOR THE PERIOD

1 SEPTEMBER 2017 TO 31 AUGUST 2018

Bishop Wordsworth's Church of England Grammar School for Boys

Statement of Financial Activities for the year ended 31 August 2018 (including the Income and Expenditure Account)


	Note	Unrestricted Funds £	Restricted General Funds £	Fixed Asset Funds £	Total 2018 £	Total 2017 £
Income and endowments from:						
Donations and capital grants	2	43,000	-	45,196	88,196	1,310,097
Charitable activities:						
Funding for the academy trust's educational operations	3	-	4,148,793	-	4,148,793	4,208,517
Other trading activities	4	142,758	464,264	-	607,022	550,794
Investments	5	13,865	-	-	13,865	2,087
Total		<u>199,623</u>	<u>4,613,057</u>	<u>45,196</u>	<u>4,857,876</u>	<u>6,071,495</u>
Expenditure on:						
Charitable activities:						
Academy trust educational operations	6 & 7	40,073	4,727,315	408,094	5,175,482	5,276,151
Total		<u>40,073</u>	<u>4,727,315</u>	<u>408,094</u>	<u>5,175,482</u>	<u>5,276,151</u>
Net gains/(losses) on investments	12	32,532	-	-	32,532	6,396
Net income / (expenditure)		<u>192,082</u>	<u>(114,258)</u>	<u>(362,898)</u>	<u>(285,074)</u>	<u>801,740</u>
Transfers between funds	16	(19,310)	-	19,310	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	23	-	341,000	-	341,000	905,000
Net movement in funds		<u>172,772</u>	<u>226,742</u>	<u>(343,588)</u>	<u>55,926</u>	<u>1,706,740</u>
Reconciliation of funds						
Total funds brought forward		<u>131,671</u>	<u>(262,744)</u>	<u>16,612,793</u>	<u>16,481,720</u>	<u>14,774,980</u>
Total funds carried forward		<u>304,443</u>	<u>(36,002)</u>	<u>16,269,205</u>	<u>16,537,646</u>	<u>16,481,720</u>

Bishop Wordsworth's Church of England Grammar School for Boys

Balance Sheet as at 31 August 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	11		16,269,205		16,612,793
Investments	12		438,928		406,396
Current assets					
Debtors	13	83,622		56,774	
Cash at bank and in hand		<u>527,924</u>		<u>438,147</u>	
		611,546		494,921	
Liabilities					
Creditors: Amounts falling due within one year	14	<u>(264,091)</u>		<u>(281,565)</u>	
Net current assets			<u>347,455</u>		<u>213,356</u>
Total assets less current liabilities			17,055,588		17,232,545
Creditors: Amounts falling due after more than one year	15		<u>(2,942)</u>		<u>(8,825)</u>
Net assets excluding pension liability			17,052,646		17,223,720
Defined benefit pension scheme liability	23		<u>(515,000)</u>		<u>(742,000)</u>
Total assets			<u><u>16,537,646</u></u>		<u><u>16,481,720</u></u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	16	16,269,205		16,612,793	
Restricted income fund	16	478,998		479,256	
Pension reserve	16	<u>(515,000)</u>		<u>(742,000)</u>	
Total restricted funds			16,233,203		16,350,049
Unrestricted income funds	16		<u>304,443</u>		<u>131,671</u>
Total funds			<u><u>16,537,646</u></u>		<u><u>16,481,720</u></u>

The financial statements were approved by the trustees, and authorised for issue on 28 November 2018 and are signed on their behalf by:


~~Mrs J Ranaboldo~~ Miss M J Horsburgh
 Chair of Governing Body and Academy Trust

Company Number: 7525856

Bishop Wordsworth's Church of England Grammar School for Boys

Statement of Cash Flows for the year ended 31 August 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	a	101,473	(20,684)
Cash flows from investing activities:			
Interest from investments		13,865	2,087
Acquisitions of investments		-	(400,000)
Purchase of property and other fixed assets		(64,506)	(2,033,545)
Capital grants received		45,196	1,307,742
Net cash provided by/(used in) investing activities		<u>(5,445)</u>	<u>(1,123,716)</u>
Cash flows from financing activities:			
Repayments of borrowing		(6,251)	(6,620)
Net cash provided by/(used in) financing activities		<u>(6,251)</u>	<u>(6,620)</u>
Change in cash and cash equivalents for the year		89,777	(1,151,020)
Cash and cash equivalents brought forward	b	438,147	1,589,167
Cash and cash equivalents carried forward at 31 August	b	<u>527,924</u>	<u>438,147</u>

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

	2018 £	2017 £
Net income/(expenditure) for the year as per the Statement of Financial Activities	(285,074)	801,740
Adjusted for:		
Capital grants and similar income	(45,196)	(1,307,742)
Interest from investments	(13,865)	(2,087)
Gains/(losses) on investments	(32,532)	(6,396)
Defined benefit pension costs less contributions payable	94,000	100,000
Defined benefit pension finance costs/(income)	20,000	32,000
Depreciation charges	408,094	396,129
(Increase)/decrease in debtors	(26,848)	71,767
Increase/(decrease) in creditors	(17,106)	(106,095)
Net cash provided by/(used in) operating activities	<u>101,473</u>	<u>(20,684)</u>

b) Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<u>527,924</u>	<u>438,147</u>

Bishop Wordsworth's Church of England Grammar School for Boys

Notes to the Financial Statements for the year ended 31 August 2018

1 Statement of Accounting Policies

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

1.1 Basis of Preparation

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS102)), the Academies Accounts Direction 2015 to 2016 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going Concern

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

1.3 Income

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

Grants

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

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

Bishop Wordsworth's Church of England Grammar School for Boys

Notes to the Financial Statements (continued) for the year ended 31 August 2018

1.3 Income (continued)

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

Donations

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

Other Income

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

1.4 Expenditure

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

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible Fixed Assets

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

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

Bishop Wordsworth's Church of England Grammar School for Boys

Notes to the Financial Statements (continued) for the year ended 31 August 2018

1.5 Tangible Fixed Assets (continued)

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

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

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

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

1.6 Investments

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

1.7 Liabilities

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

1.8 Leased Assets

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

1.9 Financial Instruments

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

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

1.10 Taxation

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

1.11 Pensions Benefits

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

Bishop Wordsworth's Church of England Grammar School for Boys

Notes to the Financial Statements (continued) for the year ended 31 August 2018

1.11 Pensions Benefits (continued)

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

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

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

1.12 Fund Accounting

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

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

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

1.13 Agency Arrangements

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

Bishop Wordsworth's Church of England Grammar School for Boys

Notes to the Financial Statements (continued) for the year ended 31 August 2018

2 Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Capital grants	-	21,196	21,196	1,307,742
Donations	43,000	24,000	67,000	2,355
	<u>43,000</u>	<u>45,196</u>	<u>88,196</u>	<u>1,310,097</u>
<i>2017 total</i>	2,355	1,307,742	1,310,097	

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
DfE / EFA grants				
General Annual Grant (GAG)	-	4,057,992	4,057,992	4,133,309
Other DfE/EFA grants	-	36,666	36,666	-
	<u>-</u>	<u>4,094,658</u>	<u>4,094,658</u>	<u>4,133,309</u>
Other grants				
Local authority grants	-	32,969	32,969	29,016
Other grants	-	21,166	21,166	46,192
	<u>-</u>	<u>54,135</u>	<u>54,135</u>	<u>75,208</u>
	<u>-</u>	<u>4,148,793</u>	<u>4,148,793</u>	<u>4,208,517</u>
<i>2017 total</i>	-	4,208,517	4,208,517	

4 Other Trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Hire of facilities	94,892	-	94,892	90,580
Catering income	-	283,048	283,048	226,405
Joint course income with SWGG	-	34,200	34,200	11,640
Examination fees income	-	12,096	12,096	10,022
Visits and trip income	47,866	-	47,866	76,544
Educational supplies and services	-	134,920	134,920	130,220
Other income	-	-	-	5,383
	<u>142,758</u>	<u>464,264</u>	<u>607,022</u>	<u>550,794</u>
<i>2017 total</i>	172,507	378,287	550,794	

Bishop Wordsworth's Church of England Grammar School for Boys

Notes to the Financial Statements (continued) for the year ended 31 August 2018

5 Investment income	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
Bank interest	405	-	405	2,087
Investment income	13,460	-	13,460	-
	<u>13,865</u>	<u>-</u>	<u>13,865</u>	<u>2,087</u>
2017 total	2,087	-	2,087	

6 Expenditure

	Staff Costs	Premises & equipment	Other costs	Total 2018	Total 2017
	£	£	£	£	£
Academy's educational operations:					
Direct costs	2,874,785	-	446,085	3,320,870	3,492,256
Allocated support costs	672,278	835,737	346,597	1,854,612	1,783,895
	<u>3,547,063</u>	<u>835,737</u>	<u>792,682</u>	<u>5,175,482</u>	<u>5,276,151</u>
			note 7		
2017 total	3,671,544	705,442	899,165	5,276,151	

Net income/(expenditure) for the period includes:	2018	2017
	£	£
Operating lease rentals	26,780	26,780
Depreciation	408,094	396,129
Fees payable to auditor for:		
- audit (current year)	5,410	5,250
- audit (prior year)	-	748
- other services	<u>2,865</u>	<u>4,195</u>

Included within expenditure are the following transactions:

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

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

Bishop Wordsworth's Church of England Grammar School for Boys

Notes to the Financial Statements (continued) for the year ended 31 August 2018

7 Charitable Activities - educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Direct costs				
Teaching and educational support staff costs	-	2,857,643	2,857,643	2,979,362
Technology costs	-	67,435	67,435	59,113
Educational supplies and consumables	-	206,003	206,003	189,964
Examination fees	-	116,629	116,629	124,424
Staff development	-	17,142	17,142	17,862
Music fees	1,080	-	1,080	610
Other direct costs	38,993	15,945	54,938	120,921
	<u>40,073</u>	<u>3,280,797</u>	<u>3,320,870</u>	<u>3,492,256</u>
Allocated support costs				
Support staff costs	-	672,278	672,278	674,320
Depreciation	-	408,094	408,094	396,129
Recruitment and support	-	40,264	40,264	35,823
Maintenance of premises and equipment	-	173,798	173,798	118,139
Cleaning	-	81,331	81,331	77,342
Energy costs	-	71,218	71,218	70,026
Rent and rates	-	45,428	45,428	43,806
Insurance	-	41,675	41,675	40,553
Security and transport	-	14,193	14,193	8,282
Catering (excluding staff costs)	-	138,747	138,747	122,950
Interest and finance costs	-	7,138	7,138	6,804
Pension service costs	-	114,000	114,000	132,000
Other support costs	-	35,268	35,268	45,551
Governance costs	-	11,180	11,180	12,170
	<u>-</u>	<u>1,854,612</u>	<u>1,854,612</u>	<u>1,783,895</u>
	<u>40,073</u>	<u>5,135,409</u>	<u>5,175,482</u>	<u>5,276,151</u>
<i>Total 2017</i>	<i>95,862</i>	<i>5,180,289</i>	<i>5,276,151</i>	

Bishop Wordsworth's Church of England Grammar School for Boys

Notes to the Financial Statements (continued) for the year ended 31 August 2018

8 Staff

a. Staff costs	Total 2018 £	Total 2017 £
Wages and salaries	2,754,757	2,864,788
Social security costs	250,364	271,212
Operating costs of defined benefit pension schemes	476,700	490,960
	<u>3,481,821</u>	<u>3,626,960</u>
Supply teacher costs	47,650	26,723
Redundancy costs	-	-
Staff development and other staff costs	17,592	17,862
	<u>3,547,063</u>	<u>3,671,545</u>

b. Non statutory/non contractual staff severance payments

Included in redundancy costs are non-statutory/non-contractual ex-gratia payments totalling £nil (2017: £nil). Individually, the payments were: £nil.

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	45	48
Administration and support	28	28
Management	6	6
	<u>79</u>	<u>82</u>

d. Higher paid staff

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

	2018 No.	2017 No.
£60,000 - £70,000	1	-
£80,001 - £90,000	<u>1</u>	<u>1</u>

e Key management personnel

The key management personnel of the academy trust comprise the leadership team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £505,754 (2017: £533,144).

Bishop Wordsworth's Church of England Grammar School for Boys

Notes to the Financial Statements(continued) for the year ended 31 August 2018

9 Related Party Transactions - Trustees' Remuneration and Expenses

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

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

Dr S D Smallwood PhD (Headmaster)

- . Remuneration £90,000 - £100,000 (2017: £80,000 - £90,000)
- . Employer's pension contributions paid £10,000 - £20,000 (2017: £10,000 - £20,000)

Mrs C Short BA (Staff Governor)

- . Remuneration £0 - £10,000 (2017: £10,000 - £20,000)
- . Employer's pension contributions paid £0 - £10,000 (2017: £0 - £10,000)

Mr J M Oldham (Staff Governor)

- . Remuneration £20,000 - £30,000 (2017: £nil)
- . Employer's pension contributions paid £0 - £10,000 (2017: £nil)

Mr B D Jones (Staff Governor)

- . Remuneration £0 - £10,000 (2017: £nil)
- . Employer's pension contributions paid £0 - £10,000 (2017: £nil)

During the period ended 31 August 2018, travel and subsistence expenses totalling £nil were reimbursed to no trustee (2017: £nil).

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

10 Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2018 was not identifiable as part of the RPA arrangement (2017: RPA arrangement).

Bishop Wordsworth's Church of England Grammar School for Boys

Notes to the Financial Statements (continued) for the year ended 31 August 2018

11 Tangible Fixed Assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2017	19,070,759	43,749	77,113	17,860	19,209,481
Additions	-	-	20,726	43,780	64,506
At 31 August 2018	<u>19,070,759</u>	<u>43,749</u>	<u>97,839</u>	<u>61,640</u>	<u>19,273,987</u>
Depreciation					
At 1 September 2017	2,540,524	25,281	17,987	12,896	2,596,688
Charged in year	376,615	4,617	14,676	12,186	408,094
At 31 August 2018	<u>2,917,139</u>	<u>29,898</u>	<u>32,663</u>	<u>25,082</u>	<u>3,004,782</u>
Net book values					
At 31 August 2018	<u>16,153,620</u>	<u>13,851</u>	<u>65,176</u>	<u>36,558</u>	<u>16,269,205</u>
At 31 August 2017	<u>16,530,235</u>	<u>18,468</u>	<u>59,126</u>	<u>4,964</u>	<u>16,612,793</u>

In line with the guidance in the Academies Accounts Direction 2018 with regards to buildings occupied by church academies, the academy has included the value of leasehold land and buildings within the balance sheet. The Governors did not feel that it represented a good use of public funds to request a formal valuation, therefore the insurance valuation of the buildings has been used.

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

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

12 Investments

	2018	2017
	£	£
Investment funds:		
Market value at 1 September 2017	406,396	-
Acquisitions at cost	-	400,000
Unrealised gains/(losses) on investments	<u>32,532</u>	<u>6,396</u>
Market value at 31 August 2018	<u>438,928</u>	<u>406,396</u>
Historic cost	<u>400,000</u>	<u>400,000</u>

Bishop Wordsworth's Church of England Grammar School for Boys

Notes to the Financial Statements (continued) for the year ended 31 August 2018

13 Debtors

	2018	2017
	£	£
Trade debtors	5,550	11,676
VAT recoverable	19,950	27,818
Other debtors	13,460	-
Prepayments and accrued income	44,662	17,280
	<u>83,622</u>	<u>56,774</u>

14 Creditors: Amounts falling due within one year

	2018	2017
	£	£
Other loans	5,885	6,253
Trade creditors	35,128	63,221
Other taxation and social security	63,515	67,660
Other creditors	88,931	75,747
Deferred income	70,632	68,684
	<u>264,091</u>	<u>281,565</u>

Deferred income

	2018	2017
	£	£
Deferred income at 1 September 2017	68,684	78,337
Released from previous years	(30,305)	(39,988)
Resources deferred in the year	32,253	30,335
Deferred Income at 31 August 2018	<u>70,632</u>	<u>68,684</u>

At the balance sheet date the academy trust was holding funds received in advance for facility hire and courses booked for the autumn term 2018 plus £38,349 for an insurance grant.

Bishop Wordsworth's Church of England Grammar School for Boys

Notes to the Financial Statements (continued) for the year ended 31 August 2018

15 Creditors: Amounts falling due in greater than one year

	2018	2017
	£	£
Other loans	<u>2,942</u>	<u>8,825</u>
Analysis of loans:		
Wholly repayable within five years	8,827	15,078
Less: included in current liabilities	<u>(5,885)</u>	<u>-</u>
Amounts falling due in more than one year	<u>2,942</u>	<u>15,078</u>
Loan maturity:		
Debt due in one year or less	5,885	6,253
In more than one year but not more than two years	2,942	5,885
In more than two years but not more than five years		2,942
	<u>8,827</u>	<u>15,078</u>

The academy has two Salix loan agreements with the EFA, both were agreed on 10/10/2013 with Salix Finance Ltd. The first agreement was for an insulation project for the projected cost of £2,941, the academy repays £367 six monthly and the last payment was due on 01/09/2017. Remaining at the 31 August 2018 was the balance of £nil. The second agreement was for a lighting project for a projected cost of £35,307, the academy repay £2,942 six monthly and the last repayment is due on 01/09/2019. Remaining at the 31 August 2018 was the balance of £8,827. The analysis of payable within one year and after more than one year is disclosed above.

Bishop Wordsworth's Church of England Grammar School for Boys

Notes to the Financial Statements (continued) for the year ended 31 August 2018

16 Funds	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	479,256	4,057,992	(4,058,250)	-	478,998
Other DfE/EFA grants	-	36,666	(36,666)	-	-
Other government grants	-	54,135	(54,135)	-	-
Other restricted funds	-	464,264	(464,264)	-	-
	<u>479,256</u>	<u>4,613,057</u>	<u>(4,613,315)</u>	<u>-</u>	<u>478,998</u>
Pension reserve	(742,000)	-	(114,000)	341,000	(515,000)
	<u>(262,744)</u>	<u>4,613,057</u>	<u>(4,727,315)</u>	<u>341,000</u>	<u>(36,002)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	-	21,196	-	(21,196)	-
Fixed assets	16,612,793	24,000	(408,094)	40,506	16,269,205
	<u>16,612,793</u>	<u>45,196</u>	<u>(408,094)</u>	<u>19,310</u>	<u>16,269,205</u>
Total restricted funds	<u>16,350,049</u>	<u>4,658,253</u>	<u>(5,135,409)</u>	<u>360,310</u>	<u>16,233,203</u>
Unrestricted funds					
General funds	131,671	199,623	(40,073)	13,222	304,443
Total unrestricted funds	<u>131,671</u>	<u>199,623</u>	<u>(40,073)</u>	<u>13,222</u>	<u>304,443</u>
Total funds	<u>16,481,720</u>	<u>4,857,876</u>	<u>(5,175,482)</u>	<u>373,532</u>	<u>16,537,646</u>

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

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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

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

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

Bishop Wordsworth's Church of England Grammar School for Boys

Notes to the Financial Statements (continued) for the year ended 31 August 2018

16 Funds (continued)

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	544,612	4,133,309	(4,198,665)	-	479,256
Other DfE/EFA grants	-	36,666	(36,666)	-	-
Other government grants	-	29,016	(29,016)	-	-
Other restricted funds	-	424,479	(424,479)	-	-
	<u>544,612</u>	<u>4,623,470</u>	<u>(4,688,826)</u>	<u>-</u>	<u>479,256</u>
Pension reserve	(1,515,000)	-	(132,000)	905,000	(742,000)
	<u>(970,388)</u>	<u>4,623,470</u>	<u>(4,820,826)</u>	<u>905,000</u>	<u>(262,744)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	415,832	1,307,742		(1,723,574)	-
Fixed assets	14,975,377	-	(396,129)	2,033,545	16,612,793
	<u>15,391,209</u>	<u>1,307,742</u>	<u>(396,129)</u>	<u>309,971</u>	<u>16,612,793</u>
Total restricted funds	<u>14,420,821</u>	<u>5,931,212</u>	<u>(5,216,955)</u>	<u>1,214,971</u>	<u>16,350,049</u>
Unrestricted funds					
General funds	354,159	176,949	(95,862)	(303,575)	131,671
Total unrestricted funds	<u>354,159</u>	<u>176,949</u>	<u>(95,862)</u>	<u>(303,575)</u>	<u>131,671</u>
Total funds	<u>14,774,980</u>	<u>6,108,161</u>	<u>(5,312,817)</u>	<u>911,396</u>	<u>16,481,720</u>

Bishop Wordsworth's Church of England Grammar School for Boys

Notes to the Financial Statements (continued) for the year ended 31 August 2018

17 Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	16,269,205	16,269,205
Investments	438,928	-	-	438,928
Current assets	132,548	478,998	-	611,546
Current liabilities	(264,091)	-	-	(264,091)
Non-current liabilities	(2,942)	-	-	(2,942)
Pension scheme liability	-	(515,000)	-	(515,000)
Total net assets	304,443	(36,002)	16,269,205	16,537,646

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

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	16,612,793	16,612,793
Investments	406,396	-	-	406,396
Current assets	15,665	479,256	-	494,921
Current liabilities	(281,565)	-	-	(281,565)
Non-current liabilities	(8,825)	-	-	(8,825)
Pension scheme liability	-	(742,000)	-	(742,000)
Total net assets	131,671	(262,744)	16,612,793	16,481,720

18 Capital Commitments

	2018 £	2017 £
Contracted for, but not provided in the financial statements	-	-

There are no commitments as at 31 August 2018, nor at 31 August 2017.

Bishop Wordsworth's Church of England Grammar School for Boys

Notes to the Financial Statements (continued) for the year ended 31 August 2018

19 Commitments under operating leases

Operating Leases

At 31 August 2018 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	Land and buildings		Other	
	2018	2017	2018	2017
	£	£	£	£
Amounts due within one year	23,500	23,500	3,280	3,280
Amounts due between one and five years	-	23,500	-	3,280
Amounts due after five years	-	-	-	-
	<u>23,500</u>	<u>47,000</u>	<u>3,280</u>	<u>6,560</u>

20 Related Parties

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

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

21 Members' Liability

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

22 Agency Arrangements

The academy distributes 16-19 bursary funds to students as an agent for EFA. In accounting period ending 31 August 2018 the trust received £6,688 (2017: £6,765) and disbursed £5,033 (2017: £4,950) from the fund. An amount of £9,133 (2017: £7,478) has been included in other creditors relating to undistributed funds that are repayable to EFA.

Bishop Wordsworth's Church of England Grammar School for Boys

Notes to the Financial Statements (continued) for the year ended 31 August 2018

23 Pension and Similar Obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 August 2013.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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

Bishop Wordsworth's Church of England Grammar School for Boys

Notes to the Financial Statements (continued) for the year ended 31 August 2018

23 Pension and Similar Obligations (continued)

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £322,099 (2017: £350,862).

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

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

Local Government Pension Scheme

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

Contributions made	2018	2017
	£	£
Employer's contributions	153,000	129,000
Employees' contributions	38,000	38,000
Total normal contributions	<u>191,000</u>	<u>167,000</u>

The LGPS scheme is currently in deficit and the entity has entered into an agreement with the trustees for the Academy to make additional contributions in addition to normal funding levels. Additional contributions made in the current year amounted to £nil and for 2018/19 are estimated to be £nil.

The agreed contribution rates for future years are 26.5% per cent for employers.

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

Principal Actuarial Assumptions	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	2.70%	2.70%
Rate of increase for pensions in payment/inflation	2.40%	2.40%
Discount rate for scheme liabilities	2.80%	2.50%
Inflation assumption (CPI)	2.40%	2.60%
Commutation of pensions to lump sums	50.00%	50.00%

Bishop Wordsworth's Church of England Grammar School for Boys

Notes to the Financial Statements (continued) for the year ended 31 August 2018

23 Pension and Similar Obligations (continued)

Sensitivity Analysis	Approximate % increase in employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	11.00%	332
0.5% increase in the salary increase rate	1.00%	36
0.5% decrease in the pension increase rate	9.00%	294

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 2018	At 31 August 2017
<i>Retiring today</i>		
Males	22.5	22.5
Females	24.9	24.9
<i>Retiring in 20 years</i>		
Males	24.1	24.1
Females	26.7	26.7

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,836,000	1,596,000
Bonds	362,000	315,000
Property	336,000	292,000
Cash	52,000	45,000
Total market value of assets	2,586,000	2,248,000
Present value of scheme liabilities - funded	(3,101,000)	(2,990,000)
	<u>(515,000)</u>	<u>(742,000)</u>

The actual return on scheme assets was 8.0% (2017: 16.1%).

Amounts recognised in the statement of financial activities

	2018 £	2017 £
Current service cost (net of employee contributions)	94,000	100,000
Net interest cost	20,000	32,000
Total operating charge	<u>114,000</u>	<u>132,000</u>

Bishop Wordsworth's Church of England Grammar School for Boys

Notes to the Financial Statements (continued) for the year ended 31 August 2018

23 Pension and Similar Obligations (continued)

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

	2018 £	2017 £
At 1 September	(2,990,000)	(3,314,000)
Current service cost	(247,000)	(241,000)
Interest cost	(78,000)	(69,000)
Employee contributions	(38,000)	(38,000)
Actuarial (gain)/loss	197,000	643,000
Benefits paid	55,000	29,000
At 31 August	<u>(3,101,000)</u>	<u>(2,990,000)</u>

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

	2018 £	2017 £
At 1 September	2,248,000	1,799,000
Return on plan assets (excluding net interest on the net defined pension liability)	58,000	37,000
Actuarial gain/(loss)	144,000	262,000
Employer contributions	153,000	141,000
Employee contributions	38,000	38,000
Benefits paid	(55,000)	(29,000)
At 31 August	<u>2,586,000</u>	<u>2,248,000</u>