

Report of the Trustees and
Financial Statements for the Year Ended 31 August 2020
for
Great Western Academy

MHA Monahans
Statutory Auditors
38-42 Newport Street
Swindon
Wiltshire
SN1 3DR



Great Western Academy

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for the Year Ended 31 August 2020

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Great Western Academy

Reference and Administrative Details
for the Year Ended 31 August 2020

MEMBERS	C Kitching L Durrant D.Martin (appointed 04.12.2019)
TRUSTEES	A Wild (Chair) V Houldey (resigned 31.08.2020) D Martin (resigned 02.12.2019) P Paget (resigned 31.08.2020) G Taylor A Hamer R Tiwari (resigned 09.07.2020) G Davis (Principal and accounting officer) J Elliott M Hunt (appointed 08.07.2020) M Horrobin (appointed 08.07.2020)
SENIOR LEADERSHIP TEAM	G Davis – Principal D Clarke – Assistant Principal K Spencer – Assistant Principal E Frobisher – Business Manager
PRINCIPAL AND REGISTERED OFFICE	William Morris Way Tadpole Garden Village Swindon SN25 2PP
REGISTERED COMPANY NUMBER	08873553 (England and Wales)
COMPANY NAME	Great Western Academy
INDEPENDENT AUDITORS	MHA Monahans Statutory Auditors 38-42 Newport Street Swindon Wiltshire SN1 3DR
BANKERS	Barclays Bank 28 Regent Street Swindon
SOLICITORS	Veale Wasbrough Vizards LLP Narrow Quay House Narrow Quay Bristol BS1 4QA

Great Western Academy

Report of the Trustees **for the Year Ended 31 August 2020**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 11 to 18 serving a catchment area in Swindon, opened in September 2018 with one year group of students. In 2019/20 the academy had students in years 7, 8 and 12. It has a pupil capacity of 1210 when full and had a roll of 371 in the school census of October 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Great Western Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Great Western Academy.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

In accordance with the Companies Act 2006 it is confirmed that the Academy insurance cover includes Trustees' indemnity.

Method of Recruitment and Appointment or Election of Trustees

The trust's Articles of Association allow for the following to be appointed as trustees:

- Up to 9 trustees appointed by the members of the trust
- up to 3 trustees appointed by New College
- a minimum of 2 parent trustees
- The chief executive officer may be appointed as trustee

Policies and Procedures Adopted for the Induction and Training of Trustees

The training for new trustees is provided by Swindon Borough Council (New Governor Training) and any additional training is dependent upon the result of a skills gap analysis being undertaken. This will always include the provision of any documents that are required for them to undertake their role efficiently and effectively.

Organisational structure

The Academy has a structure which consists of the Trustees, Principal and Senior Leadership Team, and middle leaders in core subject, pastoral and administrative roles. The Principal is the Accounting Officer. The Principal works with the Leadership Team to make operational decisions. The Principal and the Business Manager are responsible for the authorisation of spending within agreed limits, as set out in the financial scheme of delegation.

Arrangements for setting pay and remuneration of key management personnel

The Leadership team comprises of the key management personnel of the academy in charge of directing and controlling, running and operating the Trust on day to day basis. All Trustees give their time freely and no trustee received remuneration in the year.

The pay of key management personnel is determined by the School Teacher's pay and conditions document.

The pay of the Principal is determined by size of the school in accordance with the STPC document and the scales of the Assistant Principal is linked to the Principal's with the appropriate differentials. The Business Manager's pay is set in line with comparative roles based on the NJC Pay scales.

The Trustees set and review the Principal's appraisal objectives on an annual basis.

Related Parties and other Connected Charities and Organisations

There are no related parties which either control or significantly influence the decisions and operations of Great Western Academy.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Academy Trust's object are specifically restricted to the following:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Great Western Academy

Report of the Trustees - continued **for the Year Ended 31 August 2020**

Objectives, strategies and activities

The academy's approach is based on the belief that pupils should become enterprising people ready to embark on new adventures full of boldness and initiative. Adults of tomorrow need to be independent thinkers and lifelong learners since their careers may include different jobs – some of which have not yet been created.

The main aims for 2019/20 were to successfully open the 6th form and to continue to grow with two full year groups in Year 7 and 8, providing them with an exceptional educational experience, and preparing the Academy for further expansion into 2020/21 and beyond.

Public benefit

The Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commissioners general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities. All of our charitable activities are undertaken to further our charitable purposes for the public benefit

STRATEGIC REPORT

Achievement and performance

The Academy achieved all its aims for 2019/20:

- The Academy opened the new 6th Form (Yr12) in September 2019 with 63 students on roll
- The Academy increased its year groups from one to two, with Year 7 and Year 8 having 309 pupils on roll
- Recruitment strategies during 2018/19 and the Academy's strong reputation developed during the first year of opening led to the Academy being heavily oversubscribed for Year 7 starters in September 2019
- Students at the Academy continued to make strong progress as measured through internal, benchmarked assessments.

Covid 19

- The Academy has been impacted by the Covid-19 Pandemic.
- A thorough programme of lessons and activities for all was maintained throughout the lockdown period, with online Sixth Form lessons continuing throughout and a mix of online lessons and resources provided to years 7 and 8.
- On-site provision was made for disadvantaged students throughout, with this expanded to those with SEND needs after May half term.
- On-site lessons took place for year 12 during the final weeks of term and included an exam week from which student results suggested they had maintained impressive levels of progress.
- Financially the pandemic has had an impact on income and expenditure. The Academy's GAG income has remained unchanged, but the predicted £30,000 income from lettings has not been achieved. Sodexo hold the contract to provide Catering and Cleaning for the Academy. In April 2020 they opted to furlough all their staff, including Managers. GWA were not charged the usual contract fees during this time. Following advice from Government, Sodexo were permitted to charge a FSM monthly charge equivalent to the average charge over the last three months of the Academy being open. No cleaning charges were incurred until GWA requested that some of the cleaners return to work from June as the building was open to more pupils and staff. At this point a variation to contract was agreed and a reduced monthly amount charged. In September 2020 the monthly charges reverted back to the agreed contract price.
- Additional costs have been incurred that were not included in the budget when it was set in 2019 that relate to Covid. A new bike shed was installed in the summer of 2020 to allow for the school to be opened in 'separate year group bubbles'. The majority of the additional expenditure of Covid is on consumables. Hand sanitiser, anti bacterial spray and wipes, disposal masks, PPE and extra cleaning.
- Risks identified for the 2020/21 year include further loss of lettings income, increased cost of cleaning, a reduction in Sodexo's catering 'contract surplus' rebate due to reduction in sales, increased supply costs due to staff absence and the potential future pupil numbers being affected by the inability to hold publicity events.

Key performance indicators

GWA have not had an Ofsted inspection yet. The Trustees have considered the preparations for Ofsted. In July 2019 the Trustees commissioned an Internal Reviewer to visit the school for 2 days. These two days were used to assess the quality of teaching in the school and to act as an intermediary for the Principal's performance management. Due to Covid the visit this year was unable to go ahead.

The key financial indicator for the year 2019/20 was that the Academy operated within in means and accrued reserves of approximately of £108,000 by the end of the year. This was exceeded. The Trustees consider benchmarking against other financial indicators as very difficult during the first few years of establishment and growth. For example, costs of maintaining the premises and of buying new educational resources are disproportionate during the first few years of operation. All spending is monitored, but benchmarking against other, full schools using the DfE benchmarking tool is difficult as the figures lag considerably. At the end of August 2020 the DfE benchmarking website only held information for the year 2018/19. The Trustees will consider further financial performance indicators as the Academy grows.

Great Western Academy

Report of the Trustees - continued for the Year Ended 31 August 2020

Going concern

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

Financial review

Most of the Academy's income is obtained from the Department of Education (DfE), via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grant received from the DfE during the year ended 31st August 2020 and the associated expenditure are shown as Restricted Funds in the statement of Financial Activities.

Total funds at 1 September 2020 = £21,041,000 (2019 £20,805,000)

Total income for the year = £3,177,000 (2019 £1,553,000)

Total expenditure for the year = £2,949,000 (2019 £1,742,000)

The academy made an in year surplus of £235,000 (The in-year surplus is the change in balance of restricted general funds (excluding pension reserve) plus unrestricted funds). At 31. August 2020, the actual position of reserves was £339,000 (being the total balance at 31 August 2020 on restricted general funds [excluding pension reserve] plus the balance on unrestricted funds).

The pension deficit at 31 August 2020 was £68,000.

Reserves policy

The trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be approximately £195,000 representing one months' charitable activities resources expended (excluding depreciation). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies, such as urgent maintenance.

As at 31 August 2020, the Academy had free reserves (total funds less the amount held in fixed assets and restricted funds) of £108,000 (2019: £32,000). The academy also held an amount of £231,000 on restricted general funds. The reserves held are above the required level.

The total balance at 31 August 2020 on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was £339,000.

In total, at 31 August 2020, the funds of the academy were £21,041,000, which is represented by £20,933,000 of restricted funds and £108,000 unrestricted funds. £20,769,000 of the restricted funds can only be realised by disposing of tangible fixed assets.

The trustees acknowledge the pension reserve deficit of £68,000 and will monitor the situation.

Investment policy

The only investments held are cash balances. During the coming year the trustees will review investment of free cash reserves.

Great Western Academy

Report of the Trustees - continued
for the Year Ended 31 August 2020

Principal risks and uncertainties

The trustees confirm that the major risks have been reviewed and systems or procedures have been established to manage those risks.

The principal risks and uncertainties facing the Academy are:

Financial

The Academy has a considerable reliance on continued funding from the Government through the ESFA. Whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same rate.

Failures in Governance or management

The risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance and regulations and legislation, statutory returns etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Growing pupil numbers

As a new and growing school there is a risk associated with the new sixth form provision that opened in September 2020, and whether there are sufficient students to be able to continue to run a successful sixth form. However this risk has so far been well managed, despite lower numbers in Sixth Form than desired, and the Academy is confident it can sustain the Sixth Form until September 2023 when a natural growth in numbers will occur as our own year 11 students join the Sixth Form.

There is also a risk that the coming new Year 7 cohorts will be undersubscribed, although this is currently a low risk as the Academy is currently oversubscribed and has a waiting list.

Reputational

The continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed as well as the public reputation of the school.

Safeguarding and child protection

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child safeguarding and protection policies and procedures, health and safety and discipline.

Staffing

The success of the Academy is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds

The Academy has appointed Finance Services For Schools Ltd to undertake a program of additional testing and to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

Fundraising

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

Plans for future periods

The Academy Trust continues to aim to provide exceptional education for students already attending, and to recruit strongly for future year groups, both in terms of numbers of students and in terms of quality of staff.

Trustees will also consider the strategic future of the Academy Trust taking into account local and regional developments in how schools work together in Multi-Academy Trusts.

AUDITOR

In so far as the trustees are aware:

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

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 31st December 2020...and signed on the board's behalf by:



Mr A Wild - Trustee

Great Western Academy
Governance Statement
for the Year Ended 31 August 2020

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Great Western Academy 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 of loss.

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

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
G Davis	6	6
V Houldey (resigned 31/08/2020)	6	6
D Martin (resigned 04/12/2019)	1	1
P Paget (resigned 31/08/2020)	0	3
G Taylor	5	6
A Wild (chair)	6	6
J Elliot (appointed 09/10/2019)	6	6
M Hunt (appointed 08/07/2020)	1	1
M Horrobin (appointed 08/07/2020)	1	1
A Hamer (appointed 22.01.19)	5	6
R Tiwari (appointed 31.03.19)(resigned 09/07/2020)	0	6

During 2019/20 some Trustees who were recruited specifically to help open the Academy resigned from their posts to be replaced by Trustees who could better meet the Trust's needs now that the Academy is open. A parent Trustee was also recruited. The board undertook an audit of strengths of Trustees to ensure that newly recruited Trustees provided the expertise required. New Trustees bring significant experience in education, finance, health and safety and views of the wider community. During 2019/20 two new committees were formed.

Finance and Resources Committee:

Andy Hamer (Chair)

Andrew Wild

Graham Davis (Principal)

Only one meeting since formed in 2019-20: all attended

The role of the Finance and Resource Committee is to receive, review and monitor Financial performance information at Great Western Academy

Pupils and Standard's Committee:

Jon Elliott

Graham Taylor

Val Houldey

Only one meeting since formed in 2019-20: all attended

The role of the Pupils and Standard's Committee is to consider the wellbeing and progress of students in the school as well as considering the curriculum they follow and the quality of teaching and learning.

Trustees use performance data provided by the Academy's Leadership Team, such as pupil progress data, attendance data and information about the curriculum, behaviour and attitudes, and the quality of teaching and learning. Trustees challenge the Leadership Team over areas of concern and to ensure the Academy is not only providing strong education for the students on roll but is also readying itself for successful expansion.

Review of Value for Money

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

The accounting officer considers how the academy trust's use of its resources has provided good value for money during

each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered 'improved value for money' during the year by:

- ensuring the efficient and effective deployment of staff to maximise educational attainment
- making the academy's facilities available to the local community at competitive rates which support the use of the site by community groups and generate income for the academy
- ensuring the creation of reserves

Great Western Academy
Governance Statement
for the Year Ended 31 August 2020

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 charitable company 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 Great Western Academy for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has appointed Financial Services for Schools Ltd (FS4S) as internal auditor to carry out a programme of internal checks. The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The first review took place during winter 2019/20 and the checks carried out included testing of payroll and HR systems, testing of control accounts, and review of finance policies and statutory reports. On an annual basis, the reviewer reports to the board of trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and prepares a report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress. The reviewer has delivered their schedule of work as planned and no material control issues arose.

Review of Effectiveness

As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

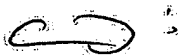
- the work of the external auditor
- the work of the internal auditor
- the school resource management self-assessment tool
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the board of trustees and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on ...31st December 2020...and signed on its behalf by:



Mr A Wild - Trustee



Mr G Davis - Accounting Officer

Great Western Academy

Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2020

As accounting officer of Great Western Academy I have considered my responsibility to notify the charitable company board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the charitable company, under the funding agreement in place between the charitable company and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of all funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2019.

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


.....
Graham Davis - Accounting Officer

Date: 15.1.2021

Great Western Academy

Statement of Trustees Responsibilities
for the Year Ended 31 August 2020

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law, the trustees 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 trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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.

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

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

Approved by order of the board of trustees on31st December 2020.....and signed on its behalf by:



.....
A Wild - Trustee

Report of the Independent Auditors to the Members of
Great Western Academy

Opinion

We have audited the financial statements of Great Western Academy (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent 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.

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 Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Report of the Independent Auditors to the Members of
Great Western Academy**

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company 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 trustees 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 trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

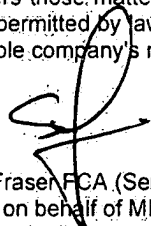
Our responsibilities for the audit of the financial statements

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 Independent 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 Independent Auditors.

Use of our report

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



Steve Fraser FCA (Senior Statutory Auditor)
for and on behalf of MHA Monahans
Statutory Auditors
38-42 Newport Street
Swindon
Wiltshire
SN1 3DR

Date: 20/01/20

**Independent Reporting Accountant's Assurance Report on Regularity to
Great Western Academy and the Education and Skills Funding Agency**

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

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

Respective responsibilities of Great Western Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Great Western Academy's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by 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 charitable company's income and expenditure.

In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2019-2020. The work undertaken to draw to our conclusion, includes, but is not limited to:

- Enquiry of senior management and the Academy's Trustees.
- Inspection and review of the accounting records, meeting minutes, prior year regularity report, internal control procedures, management representations and declarations of interest.
- Observation and re-performance of the financial controls.
- Review of the results of the Academy's process of independent checking of financial controls, systems, transactions and risks.
- Consideration of governance issues

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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


MHA Monahans
Chartered Accountants
38-42 Newport Street
Swindon
Wiltshire
SN1 3DR

Date: 20/01/20

Great Western Academy

Statement of Financial Activities
for the Year Ended 31 August 2020

					2020	2019
	Notes	Unrestricted funds £'000	Restricted funds £'000	Fixed asset fund £'000	Total funds £'000	Total funds £'000
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	-	-	619	619	310
Charitable activities						
Funding for the academy's educational operations	3	75	2,411	-	2,486	1,214
Other trading activities	4	<u>72</u>	<u>-</u>	<u>-</u>	<u>72</u>	<u>29</u>
Total		147	2,411	619	3,177	1,553
EXPENDITURE ON Charitable activities						
Academy's educational operations	3	<u>71</u>	<u>2,300</u>	<u>578</u>	<u>2,949</u>	<u>1,742</u>
Total	5	<u>71</u>	<u>2,300</u>	<u>578</u>	<u>2,949</u>	<u>1,742</u>
NET INCOME/(EXPENDITURE)		76	111	41	228	(189)
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit schemes		<u>-</u>	<u>8</u>	<u>-</u>	<u>8</u>	<u>(14)</u>
Net movement in funds		76	119	41	236	(203)
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>32</u>	<u>44</u>	<u>20,729</u>	<u>20,805</u>	<u>21,008</u>
TOTAL FUNDS CARRIED FORWARD		<u>108</u>	<u>163</u>	<u>20,770</u>	<u>21,041</u>	<u>20,805</u>

The notes form part of these financial statements

Great Western Academy (Registered number: 08873553)

Balance Sheet
31 August 2020

	Notes	2020 £'000	2019 £'000
FIXED ASSETS			
Tangible assets	11	20,769	20,729
CURRENT ASSETS			
Debtors	12	433	315
Cash at bank and in hand		564	230
		997	545
CREDITORS			
Amounts falling due within one year	13	(657)	(441)
NET CURRENT ASSETS		340	104
TOTAL ASSETS LESS CURRENT LIABILITIES		21,109	20,833
PENSION LIABILITY	18	(68)	(28)
NET ASSETS		21,041	20,805
FUNDS	17		
Unrestricted funds:			
Unrestricted Fund		108	32
Restricted funds:			
Restricted fixed asset fund		20,770	20,729
Restricted income fund		231	72
Pension reserve		(68)	(28)
		20,933	20,773
TOTAL FUNDS		21,041	20,805

The financial statements were approved by the Board of Trustees and authorised for issue on ...31st December 2020 and were signed on its behalf by:



A Wild - Trustee

The notes form part of these financial statements

Great Western Academy
Cash Flow Statement
for the Year Ended 31 August 2020

	Notes	2020 £'000	2019 £'000
Cash flows from operating activities			
Cash generated from operations	20	<u>333</u>	<u>(1,687)</u>
Net cash provided by/(used in) operating activities		<u>333</u>	<u>(1,687)</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(618)	(261)
Capital grants from DfE/EFA		<u>619</u>	<u>262</u>
Net cash provided by investing activities		<u>1</u>	<u>1</u>
 Change in cash and cash equivalents in the reporting period		<u>334</u>	<u>(1,686)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>230</u>	<u>1,916</u>
 Cash and cash equivalents at the end of the reporting period		<u><u>564</u></u>	<u><u>230</u></u>

The notes form part of these financial statements

Great Western Academy

Notes to the Financial Statements for the Year Ended 31 August 2020

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2019 to 2020 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Great Western Academy meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling which is the functional currency of the academy and rounded to the nearest thousand pound.

General information

Great Western Academy is a company limited by guarantee, without share capital, incorporated in England and Wales. The registered office address can be found in the Trustees' Report.

Going concern

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

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received 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.

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

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

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

Donated goods, facilities and services

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

1. ACCOUNTING POLICIES - continued

Donated goods, facilities and services

Where material, donated goods and services are recognised as income when the academy has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the academy of the item is probable and that economic benefit can be measured reliably. On receipt, where material, donated goods and services are recognised on the basis of the value of the gift to the academy which is the amount the academy would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

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.

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

Tangible fixed assets

Assets costing £1,500 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.

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 lives. Where an asset comprises of two or more components which have substantially different lives each component is depreciated separately over its useful economic life. The expected useful lives are as follows:

Freehold buildings	15-100 years
Land	Nil
Furniture and equipment	5 years
Computer equipment	3 - 5 years

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.

Liabilities

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

Provisions

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Leased assets

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

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA 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 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 22.

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. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy 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 Department for Education Group.

Pension costs and other post-retirement benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities.

Great Western Academy

Notes to the Financial Statements - continued **for the Year Ended 31 August 2020**

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

None

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
Grants	-	619	619	310

Grants received, included in the above, are as follows:

	2020 £'000	2019 £'000
Start up grant	-	48
DfE Group capital grant	619	262
	<u>619</u>	<u>310</u>

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
Grants	-	2,387	2,387	1,143
School trips	-	24	24	10
Catering	75	-	75	60
Other income	-	-	-	1
	<u>75</u>	<u>2,411</u>	<u>2,486</u>	<u>1,214</u>

Great Western Academy

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS - continued

An analysis of grants received is given below:

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	2,015	2,015	1,028
Other DFE/EFSA grant	-	216	216	84
	-	2,231	2,231	1,112
Other government grant				
Local authority grants	-	8	8	4
Special educational needs	-	148	148	27
	-	156	156	31
	-	2,387	2,387	1,143

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
Hire of facilities	31	-	31	21
Other income	41	-	41	8
	72	-	72	29

5. EXPENDITURE

	Non-pay expenditure			2020	2019
	Staff costs £'000	Premises £'000	Other costs £'000	Total £'000	Total £'000
Charitable activities					
Academy's educational operations					
Direct costs	1,570	-	625	2,195	1,124
Allocated support costs	189	458	107	754	618
	1,759	458	732	2,949	1,742

Net income/(expenditure) is stated after charging/(crediting):

	2020 £'000	2019 £'000
Auditors' remuneration	8	6
Auditors' remuneration for non audit work	1	1
Depreciation - owned assets	578	540
Operating leases - other	5	5

Great Western Academy

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

6. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
Direct costs	-	2,195	2,195	1,124
Support costs	<u>71</u>	<u>683</u>	<u>754</u>	<u>618</u>
	<u>71</u>	<u>2,878</u>	<u>2,949</u>	<u>1,742</u>

	2020 Total £'000	2019 Total £'000
Analysis of support costs		
Support staff costs	189	117
Premises costs	407	355
Legal costs - other	-	2
Other support costs	98	123
Governance costs	<u>60</u>	<u>21</u>
Total support costs	<u>754</u>	<u>618</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

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

G Davis (principal and trustee)
Remuneration £75,000 - £80,000 (2019: £75,000 - £80,000)
Employer's pension contributions £15,000 - £20,000 (2019: £10,000 - £15,000).

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2020 nor for the year ended 31 August 2019.

Other related party transactions involving the trustees are set out in note 19.

8. STAFF COSTS

	2020 £'000	2019 £'000
Wages and salaries	1,298	597
Social security costs	126	57
Operating costs of defined benefit pension schemes	<u>335</u>	<u>119</u>
	<u>1,759</u>	<u>773</u>

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	2020	2019
Management	4	3
Administration	16	9
Teachers	<u>28</u>	<u>9</u>
	<u>48</u>	<u>21</u>

Great Western Academy

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

8. STAFF COSTS - continued

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

	2020	2019
£60,001 - £70,000	1	-
£70,001 - £80,000	<u>1</u>	<u>1</u>
	<u>2</u>	<u>1</u>

The full time equivalent number of persons employed by the Academy during the year was:

	2020 Number	2019 Number
Teachers	23	7
Administration and support	10	6
Management	<u>4</u>	<u>3</u>
	<u>37</u>	<u>16</u>

Key management personnel

The key management personnel of the academy trust comprise of the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £309,397 (2019: £225,295).

9. TRUSTEES' AND OFFICERS' INSURANCE

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

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	Fixed asset fund £'000	Total funds £'000
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	-	48	262	310
Charitable activities				
Funding for the academy's educational operations	60	1,154	-	1,214
Other trading activities	<u>29</u>	<u>-</u>	<u>-</u>	<u>29</u>
Total	89	1,202	262	1,553
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	57	1,136	549	1,742
Total	<u>57</u>	<u>1,136</u>	<u>549</u>	<u>1,742</u>
NET INCOME/(EXPENDITURE)	32	66	(287)	(189)
Transfers between funds	<u>-</u>	<u>(8)</u>	<u>8</u>	<u>-</u>

Great Western Academy

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £'000	Restricted funds £'000	Fixed asset fund £'000	Total funds £'000
Other recognised gains/(losses)				
Actuarial gains/(losses) on defined benefit schemes	-	(14)	-	(14)
Net movement in funds	32	44	(279)	(203)
RECONCILIATION OF FUNDS				
Total funds brought forward	-	-	21,008	21,008
TOTAL FUNDS CARRIED FORWARD	<u>32</u>	<u>44</u>	<u>20,729</u>	<u>20,805</u>

11. TANGIBLE FIXED ASSETS

	Freehold property £'000	Furniture and Equipment £'000	Computer equipment £'000	Totals £'000
COST				
At 1 September 2019	19,626	1,432	211	21,269
Additions	<u>535</u>	<u>4</u>	<u>79</u>	<u>618</u>
At 31 August 2020	<u>20,161</u>	<u>1,436</u>	<u>290</u>	<u>21,887</u>
DEPRECIATION				
At 1 September 2019	217	286	37	540
Charge for year	<u>217</u>	<u>287</u>	<u>74</u>	<u>578</u>
At 31 August 2020	<u>434</u>	<u>573</u>	<u>111</u>	<u>1,118</u>
NET BOOK VALUE				
At 31 August 2020	<u>19,727</u>	<u>863</u>	<u>179</u>	<u>20,769</u>
At 31 August 2019	<u>19,409</u>	<u>1,146</u>	<u>174</u>	<u>20,729</u>

Included in freehold property is land of £5,674,500 (2019: £5,674,500) which is not depreciated.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £'000	2019 £'000
Trade debtors	5	4
VAT	203	182
Prepayments and accrued income	<u>225</u>	<u>129</u>
	<u>433</u>	<u>315</u>

Great Western Academy

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£'000	£'000
Trade creditors	320	165
Social security and other taxes	29	15
Other creditors	273	160
Accruals and deferred income	35	101
	<u>657</u>	<u>441</u>
Deferred income		
	£'000	
Deferred Income at 1 September 2019	24	
Resources deferred in the year	-	
Amounts released from previous years	<u>(24)</u>	
Deferred Income at 31 August 2020	<u>-</u>	

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£'000	£'000
Within one year	5	5
Between one and five years	<u>10</u>	<u>14</u>
	<u>15</u>	<u>19</u>

15. 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.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Fixed asset fund	2020 Total funds
	£'000	£'000	£'000	£'000
Fixed assets	-	-	20,769	20,769
Current assets	108	888	1	997
Current liabilities	-	(657)	-	(657)
Pension liability	-	(68)	-	(68)
	<u>108</u>	<u>163</u>	<u>20,770</u>	<u>21,041</u>

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

	Unrestricted funds	Restricted funds	Fixed asset fund	2019 Total funds
	£'000	£'000	£'000	£'000
Fixed assets	-	-	20,729	20,729
Current assets	32	513	-	545
Current liabilities	-	(441)	-	(441)
Pension liability	-	(28)	-	(28)
	<u>32</u>	<u>44</u>	<u>20,729</u>	<u>20,805</u>

Great Western Academy

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

17. MOVEMENT IN FUNDS

	At 1.9.19 £'000	Net movement in funds £'000	At 31.8.20 £'000
Unrestricted funds			
Unrestricted Fund	32	76	108
Restricted fixed asset funds			
DfE Group capital grants	20,722	43	20,765
Capital expenditure from GAG	<u>7</u>	<u>(2)</u>	<u>5</u>
	20,729	41	20,770
Restricted revenue funds			
General Annual Grant	72	159	231
Pension reserve	<u>(28)</u>	<u>(40)</u>	<u>(68)</u>
	44	119	163
Total restricted funds	<u>20,773</u>	<u>160</u>	<u>20,933</u>
TOTAL FUNDS	<u>20,805</u>	<u>236</u>	<u>21,041</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
Unrestricted Fund	147	(71)	-	76
Restricted fixed asset funds				
DfE Group capital grants	619	(576)	-	43
Capital expenditure from GAG	<u>-</u>	<u>(2)</u>	<u>-</u>	<u>(2)</u>
	619	(578)	-	41
Restricted revenue funds				
General Annual Grant	2,015	(1,856)	-	159
Pupil Premium	55	(55)	-	-
Other DfE Group grants	161	(161)	-	-
Other restricted income	24	(24)	-	-
Other government grants	156	(156)	-	-
Pension reserve	<u>-</u>	<u>(48)</u>	<u>8</u>	<u>(40)</u>
	2,411	(2,300)	8	119
Total restricted funds	<u>3,030</u>	<u>(2,878)</u>	<u>8</u>	<u>160</u>
TOTAL FUNDS	<u>3,177</u>	<u>(2,949)</u>	<u>8</u>	<u>236</u>

Great Western Academy

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

17. MOVEMENT IN FUNDS - continued
Comparatives for movement in funds

	At 1.9.18 £'000	Net movement in funds £'000	Transfers between funds £'000	At 31.8.19 £'000
Unrestricted funds				
Unrestricted Fund	-	32	-	32
Restricted funds				
DfE Group capital grants	21,008	(286)	-	20,722
General Annual Grant	-	80	(8)	72
Capital expenditure from GAG	-	(1)	8	7
Pension reserve	-	(28)	-	(28)
	<u>21,008</u>	<u>(235)</u>	<u>-</u>	<u>20,773</u>
TOTAL FUNDS	<u>21,008</u>	<u>(203)</u>	<u>-</u>	<u>20,805</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
Unrestricted Fund	89	(57)	-	32
Restricted funds				
DfE Group capital grants	262	(548)	-	(286)
Start Up Grant	48	(48)	-	-
General Annual Grant	1,028	(948)	-	80
Pupil Premium	34	(34)	-	-
Other DfE Group grants	50	(50)	-	-
Other restricted income	11	(11)	-	-
Other government grants	31	(31)	-	-
Capital expenditure from GAG	-	(1)	-	(1)
Pension reserve	-	(14)	(14)	(28)
	<u>1,464</u>	<u>(1,685)</u>	<u>(14)</u>	<u>(235)</u>
TOTAL FUNDS	<u>1,553</u>	<u>(1,742)</u>	<u>(14)</u>	<u>(203)</u>

General Annual Grant - the GAG is applied in strict accordance with the terms of the Model Funding Agreement. 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 2020.

Other DfE Group grants - these include catch up premium for those pupils who did not attain level 4 in reading and maths, the rates relief to contribute towards the rates bill, the teachers pay grant, and the teachers pension grant.

Pupil premium - grant to assist pupils from low income families

Other government grants - this is the special educational needs funding and pupil premium top up funding from Swindon Borough Council and other local authorities

Pension reserve - this deficit represents the net shortfall in funds in the Local Government Pension Scheme in relation to employees past and present.

DfE Group capital grants - this represents funding specifically provided to support capital expenditure on fixed assets.

Capital expenditure from GAG - this represents the cost less depreciation of assets purchased from the GAG.

Start up grant - this represents the Project Development Grant received by new schools to cover pre opening costs.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

18. PENSION AND SIMILAR OBLIGATIONS - continued

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 Pension Fund. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2016.

Contributions amounting to £30,908 were payable to the schemes at 31 August 2020 (2019: £13,543) and are included within creditors.

Teachers' pension scheme

Introduction

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

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

Valuation of the teachers' pension scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £227,000 (2019: £75,000).

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2020 was £75,000 (2019: £38,000), of which employer's contributions totalled £61,000 (2019: £30,000), and employees' contributions totalled £14,000 (2019: £8,000). The agreed contribution rates for future years are 24.8% for employers and 5.5% - 12.5% for employees.

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

Great Western Academy

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

18. PENSION AND SIMILAR OBLIGATIONS - continued

The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	2020	2019
	£'000	£'000
Present value of funded obligations	(163)	(74)
Fair value of plan assets	<u>95</u>	<u>46</u>
	(68)	(28)
Present value of unfunded obligations	<u>-</u>	<u>-</u>
Deficit	<u>(68)</u>	<u>(28)</u>
Net liability	<u>(68)</u>	<u>(28)</u>

The amounts recognised in the Statement of Financial Activities are as follows:

	Defined benefit pension plans	
	2020	2019
	£'000	£'000
Current service cost	108	44
Net interest from net defined benefit asset/liability	2	1
Past service cost	<u>-</u>	<u>-</u>
	<u>110</u>	<u>45</u>
Interest income on plan assets	<u>1</u>	<u>1</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2020	2019
	£'000	£'000
Opening defined benefit obligation	74	-
Current service cost	108	44
Contributions by scheme participants	14	8
Interest cost	2	1
Benefits paid	(27)	2
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	(1)	(4)
Actuarial (gains)/losses from changes in financial assumptions	5	23
Oblig other experience	<u>(12)</u>	<u>-</u>
	<u>163</u>	<u>74</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2020	2019
	£'000	£'000
Opening fair value of scheme assets	46	-
Contributions by employer	61	30
Contributions by scheme participants	14	8
Interest income	1	1
Benefits paid	(27)	2
Return on plan assets (excluding interest income)	<u>-</u>	<u>5</u>
	<u>95</u>	<u>46</u>

Great Western Academy

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

18. PENSION AND SIMILAR OBLIGATIONS - continued

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2020	2019
	£'000	£'000
Actuarial (gains)/losses from changes in demographic assumptions	1	4
Actuarial (gains)/losses from changes in financial assumptions	(5)	(23)
Oblig other experience	12	-
Return on plan assets (excluding interest income)	-	5
	<u>8</u>	<u>(14)</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	2020	2019
Equities	56%	71%
Bonds	32%	14%
Property	12%	13%
Cash	-	2%
	<u>100%</u>	<u>100%</u>

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2020	2019
Discount rate	1.70%	1.90%
Future salary increases	2.60%	2.60%
Future pension increases	2.20%	2.30%
Inflation (CPI)	2.20%	2.30%

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 2020	At 31 August 2019
Current pensioners		
Males	21.7 years	21.4 years
Females	24.0 years	23.7 years
Future pensioners*		
Males	22.5 years	22.3 years
Females	25.5 years	25.1 years

* Figures assume members aged 45 as at the last formal valuation date.

The sensitivity regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumption at 31 August 2020	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	19%	31
0.5% increase in the Salary Increase Rate	0%	-
0.5% increase in the Pension Increase Rate	19%	31

Great Western Academy

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

19. RELATED PARTY DISCLOSURES

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

Expenditure Related Party Transaction

None

Income Related Party Transaction

None

20. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £'000	2019 £'000
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	228	(189)
Adjustments for:		
Depreciation charges	578	540
Capital grants from DfE/ESFA	(619)	(262)
DB pension scheme cost less contribution	47	14
DB pension scheme finance cost	1	-
(Increase)/decrease in debtors	(118)	1,962
Increase/(decrease) in creditors	216	(3,752)
Net cash provided by/(used in) operations	<u>333</u>	<u>(1,687)</u>

21. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.19 £'000	Cash flow £'000	At 31.8.20 £'000
Net cash			
Cash at bank and in hand	<u>230</u>	<u>334</u>	<u>564</u>
	<u>230</u>	<u>334</u>	<u>564</u>
Total	<u>230</u>	<u>334</u>	<u>564</u>

22. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the trust received £9,000 (2019: £Nil) and disbursed £1,000 (2019: £Nil) from the fund. An amount of £8,000 (2019: £Nil) is included in other creditors relating to undistributed funds that is repayable to ESFA.