

Bradford Diocesan Academies Trust

(A Company Limited by Guarantee)

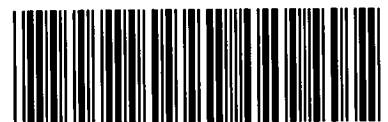
ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended

31 August 2018

Company Registration Number: 08258994

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Bradford Diocesan Academies Trust

Contents

	Page
Reference and Administrative Details	3 - 4
Trustees' Report	5 – 16
Governance Statement	17 - 21
Statement on Regularity, Propriety and Compliance	22
Statement of Trustees' Responsibilities	23
Independent Auditor's Report on the Financial Statements	24 - 26
Independent Reporting Accountant's Report on Regularity	27 - 28
Statement of Financial Activities incorporating Income & Expenditure Account	29
Balance Sheet	30
Statement of Cash Flows	31
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	32 – 37
Other Notes to the Financial Statements	38 – 67

Bradford Diocesan Academies Trust

Reference and Administrative Details

Members

Ven. Andrew Jolly (*appointed by Bishop of Leeds*)
Mr Anthony Hesselwood (*appointed by Diocesan Board of Education*)
Very Rev. Jerry Lepine (*appointed by Members*)
Mrs Theresa Mason (*ex officio*)
Mr Richard Noake (*appointed Leeds Diocesan Board of Education on 18 October 2018*)

Directors/Trustees

Mrs Theresa Mason (Chair of Trustees)
Mr Bill Henry (Vice Chair of Trustees)
Mr Anthony Hesselwood
Ms Carol Dewhurst
Reverend Canon Denise Poole (*resigned 17 July 2018*)
Dr Margaret Platts (*resigned 17 July 2018*)
Mrs Catherine Wilson
Mrs Denise Sterling
Mrs Nurjahan Ali Arobi
Mr Stephen Emsley
Mr Roland Clark
Mrs Pauline Hagen
Mrs Ruby Bhatti
Mrs Judith Kirk (*appointed 5 June 2018*)(*resigned 22 November 2018*)
Mr Peter Addison-Child (*appointed 27 September 2018*)

Senior Management Team

Ms Carol Dewhurst	Chief Executive Officer/Accounting Officer
Mr Damian Chubb	Deputy Chief Executive Officer
Mr Peter Thompson	Director of Operations
Mr Craig Lee	Director of Primary
Mr Ashley Reed	Director of Finance/Chief Financial Officer

Company Name

Bradford Diocesan Academies Trust

Principal and Registered Office

2nd Floor, Jade Building
Albion Mills,
Albion Road,
Bradford
BD10 9TQ

Company Registration Number

08258994 (England & Wales)

Bradford Diocesan Academies Trust

Reference and Administrative Details (continued)

Independent Auditor	Saffery Champness LLP Mitre House North Park Road Harrogate HG1 5RX
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Bankers	Lloyds Bank PLC Hustlergate Bradford BD1 1NT
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Legal Advisors	Lupton Fawcett LLP Yorkshire House East Parade Leeds LS1 5BD
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Bradford Diocesan Academies Trust

Trustees' Report

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

As of August 2018, Bradford Diocesan Academies Trust supports fourteen academies (four secondary and ten primary), comprising 7,929 students and employing 1,241 staff with an annual budget of £47 million. There were three primary school conversions that occurred after the 31 August 2018 and before the financial statements were finalised.

Structure, Governance and Management

Constitution

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association dated 18 October 2012 are the primary governing documents of the Trust and the company registration number is 08258994.

The Trustees of Bradford Diocesan Academies Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Bradford Diocesan Academies Trust and includes the following academies:

- The Academy at St James
- Belle Vue Girls' Academy
- Bradford Forster Academy
- Buttershaw Business and Enterprise College Academy
- Christ Church C of E Primary Academy
- Clayton St John C of E Primary School *(Converted 1 October 2017)*
- Cullingworth Village Primary School *(Converted 1 September 2018)*
- East Morton C of E Primary School *(Converted 1 October 2017)*
- Immanuel College
- Oxenhope C of E Primary School
- Shipley C of E Primary School *(Converted 1 November 2018)*
- St John's C of E Primary School *(Converted 1 November 2017)*
- St Oswald's C of E Primary Academy
- St Philip's C of E Primary School
- Westminster C of E Primary Academy
- Woodlands C of E Primary Academy *(Converted 1 August 2018)*
- Wycliffe C of E Primary School *(Converted 1 November 2018)*

Details of the trustees who served during the year, and to the date of these accounts are approved are included in the Reference and Administrative Details on page 3.

Members' Liability

Members are appointed ex officio or by the Bradford and Ripon and Leeds Educational Developments Ltd and each 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

Subject to the provisions of the Companies Act 2006, every trustee of the Trust shall be indemnified out of the assets of the trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or trust in relation the affairs of the Trust.

Bradford Diocesan Academies Trust

Trustees' Report (continued)

A trustee may benefit from any indemnity insurance purchased at the Trust's expense to cover the liability of the trustee which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust: Provided that any such insurance shall not extend to any claim arising from any act or omission which the trustees knew to be a breach of trust or breach of duty or which was committed by the trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the trustees in their capacity as directors of the Trust.

The charitable company pays a premium of £4,500 (2017: £4,023) to provide indemnity insurance of £5m for the trustees

Method of Recruitment and Appointment or Election of Trustees

The Board seeks to have members with a range of skills and experience in education and business management. New trustees are identified with the necessary skills through the Diocesan and national education networks such as SGOSS and Academy Ambassadors. The Board may appoint up to two trustees without reference to the members, who carry out responsibility to appoint trustees.

Policies and Procedures Adopted for the Induction and Training of the Trustees

A programme of induction by academy visits and familiarisation with the objects and procedures is offered to new trustees and appropriate training is made available. A full induction pack including Code of Conduct, role descriptors, Scheme of Delegation and support documentation is also provided to all trustees at the point of appointment. The Trust employs a central Governance Support Team to support trustees in academy compliance and clerking. The Chair of the Trust conducts annual self-evaluative reviews with each trustee.

Organisational Structure

The last year has been a year of consolidation for the Trust organisational structure while many of the new systems put in place to support growth have continued to embed.

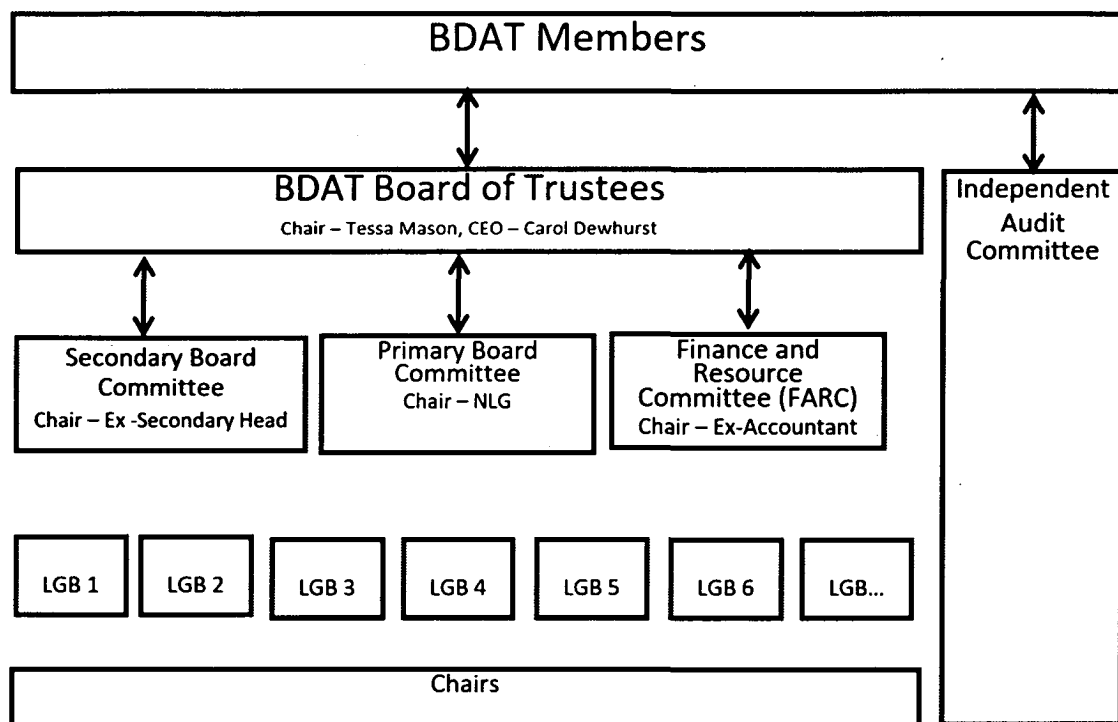
The main board continues to meet at least half-termly to oversee growth, education standards and financial accountability, while detailed scrutiny has been delegated to subject-focussed Board committees, each made of up at least four trustees overseeing primary, secondary and finance/resources. An Audit Committee has been established during 2017-18 and is chaired by an independent Chair who is not a trustee. This committee meets at least twice per year to provide independent quality assurance and scrutiny for all areas of trustee activity and will report directly to the members of the Trust at future AGMs.

As a Trust we remain committed to retaining local governing bodies for each of our schools and have established further systems for the sharing of learning, including a formal Chairs network. The Trust Scheme of Delegation continues to be refreshed annually to ensure continuity of governance across schools.

Bradford Diocesan Academies Trust

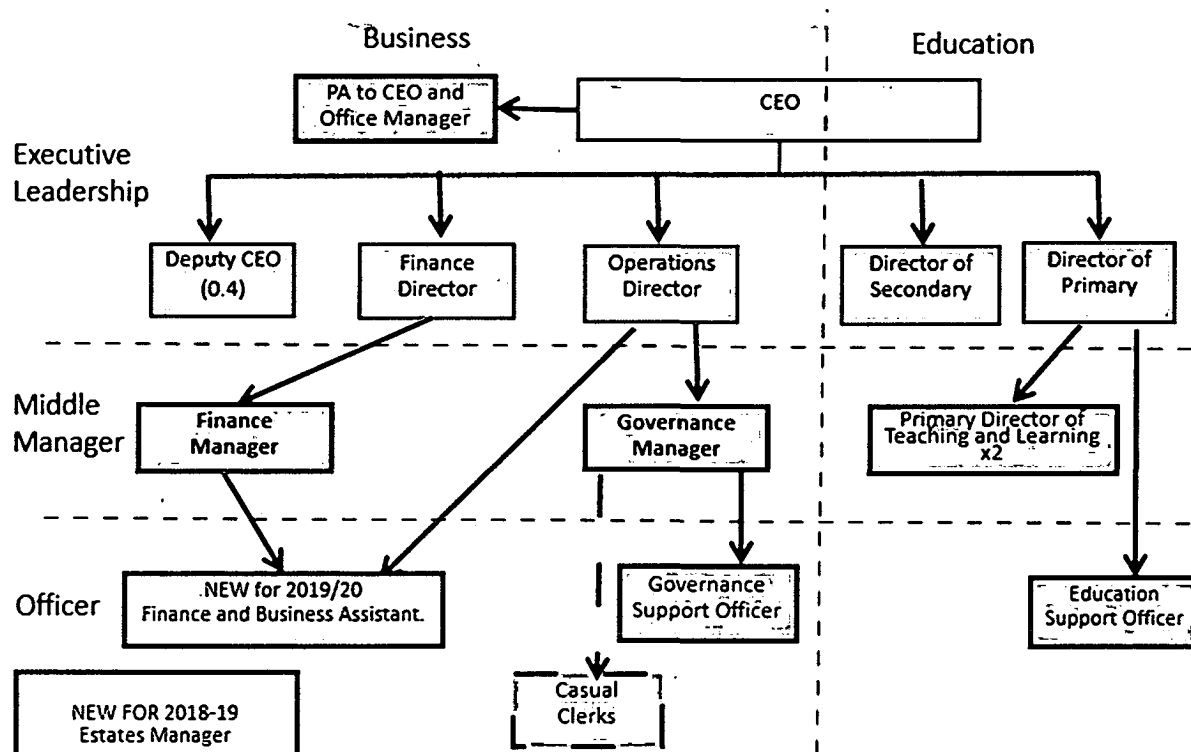
Trustees' Report (continued)

Bradford Diocesan Academies Trust Governance Structure 2017-18



The Board of Trustees are supported by a lean central executive team providing expertise and advice in education, operations, finance and governance. The Executive Team is responsible for the roll out of Trust strategy.

Bradford Diocesan Academies Trust Central Executive Team 2017-18



A copy of the Trust Annual Strategy is available on the Trust website www.bdat-academies.org/about-us/introduction-to-bdat/

Bradford Diocesan Academies Trust

Trustees' Report (continued)

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trust has a robust process for the scrutiny of staff performance and remuneration and in particular for those staff identified by the Department for Education as having "high salaries".

All central staff and head teacher performance management and remuneration decisions are directly overseen by the Trust Board. Central Trust senior leaders are directly line managed by the CEO and a Trustee (or in the case of the CEO by two Trustees). Pay decisions for all central team staff are referred to the Board.

All Head teachers are line managed by their Academy Chair of Governors and either the CEO or a Trust Education Director. All Head teacher pay decisions are referred to the Trust Board.

For all other employees, remuneration decisions remain the responsibility of the local governing body and Head teacher, although the Trust continues to audit and spot-check individual decisions and monitor equity of approach across schools. The Trust operates a single pay policy across all academies which is updated annually and available on the Trust website.

Trade Union Facilities Time

In line with the Trade Union (Facility Time Publication Requirements) Regulations 2017, the Trust's analysis is as follows:

Relevant Union Officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
	1.5

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1%-50%	1
51%-99%	0
100%	1

Percentage of pay bill spent on facility time

Provide total cost of facility time	£6k
Provide the total pay bill	£33m
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.018%

Paid trade union activities

Time spent on trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0%
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Bradford Diocesan Academies Trust

Trustees' Report (continued)

Related Parties and Other Connected Charities and Organisations

The charitable company is under the control of the Diocese of Bradford and Diocese of Ripon & Leeds Educational Trust which in turn is accountable to, not controlled by, The Diocesan Board of Education of the Diocese of Leeds.

The Trust Board have declared three related party transactions in our financial statements for the last 2 years. The Trust is the Diocese of Leeds for services to support the religious ethos and vision of the Trust. The second is an at cost non-executive supply cover agreement with a Board Trustee. The third is the Dales Academies Trust which our Trust assisted in the incorporation of and subsequently have a member of staff working across both Trusts. All of these have been externally checked for conflicts of interest or financial impropriety by the Trust auditors and will continue to be monitored on an annual basis, other related party transactions are shown in note 24.

Principal Activities

The charitable company acts as sponsor for Church of England academies and those with no religious character with a view to providing a high standard of education to the communities in which they exist.

Objectives and Activities

Objective and Aims

The objects of the company 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, management and developing academies which shall offer a broad and balanced curriculum and which shall include:

Church of England Schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England including any Trust deed governing the use of the land by academy both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the relevant funding agreement), and having regard to any advice and following directives published by the Diocesan Board of Education, and other academies whether with or without a designated religious character, but in relation to each of the academies to recognise and support their individual character and respect the different background of each of its links to the local community which it serves

The Trust's mission is: "to provide high quality education within the context of Christian belief and practice so that every child can fulfil their academic potential and accomplish their individual goals".

Our vision is "That every student in a Bradford Diocesan Academies Trust academy gets a happy and high quality education enabling competence, confidence and character to thrive; and that our Academies become the schools of choice in Bradford."

The Trust, our family of schools and our pupils are driven by a set of shared values which guide how we operate, how we teach and how we support each other.

Public Benefit

In line with the policy of the Church of England, the academies offer an education, with a Christian ethos, to the whole local community; encouraging good educational standards and an engagement with the wider community. We do work with both Church of England and Non-Church of England Schools within Bradford Diocesan Academies Trust. Robust values underpin the work of the Trust and our schools and everyone is encouraged to explore their own spirituality and to recognise and understand that of others. We recognise that these values are held in common by people of different faiths and by schools without a designated faith. It is for this reason that we choose to support and sponsor Non-Church of England Academies, as well as those within the faith.

Bradford Diocesan Academies Trust

Trustees' Report (continued)

Strategic Report

Achievements and Performance

Strategic Priorities 2017-18

1. **Growth** – up to ten further conversions by December 2018 bringing the Trust to 20 schools by 2020.
2. **School Improvement** – continue to raise attainment and progress standards
3. **Becoming a MAT of choice** – for employees and students
4. **New projects** including New College Bradford, Alternative Provision

2017-18 has been a successful year for the Trust. There is a real sense that across the business the Trust has matured, growing from a small and rapidly growing Trust to a large MAT with a robust infrastructure, steady operating model and defined vision and identity. Our school leader and central Trust staffing is stable and our education profile is improving.

The reputational profile of the trust has increased both locally and nationally with the Trust working with a number of wider projects such as Bradford for Teaching, Birth to 19, Eden Teaching School, the National Society for the Church of England Education Office, West Yorkshire Strategic Partnerships and others, to help drive forward education initiatives.

Within the Trust significant growth has been achieved in line with last year's targets. Four schools joined the Trust as planned during the academic year and three more have converted since the year end. This does leave the Trust open to some further expansion should the Trust still aim to be at 20 schools by 2020. Fundamentally, though the Trust business and support model behind the schools, provided through the core offer and retained funding, is now balanced which means further growth is not essential for the Trust to remain viable.

Checks and balances such as an independent audit committee, are also firmly in place to ensure the Trust operation model is effective, value for money and adds additionally to the schools.

As of September 2018 the MAT sponsors 15 academies comprising 7,929 students, employing 1,241 staff with an annual budget of £47m.

By January 2019, the Trust growth profile means we will support 8,852 children, employ 1361 staff and have a budget of over £54m.

Our education profile is also improving.

In the primary phase, the trust reached its targets in the vast majority of cases. Age related expectations have increased across the Trust. Reading, Writing and Maths attainment has increased by 10% at key stage 1 and 8% at key stage 2 with six out of nine schools improving at a greater rate than national. Phonics has improved by 10% in 2018.

KS4 attainment is rising across the Trust with two of the schools achieving broadly in line with FFT 50th percentile for combined English and maths measures at both 5+ and 4+. The other being at or close to the FFT 20th percentile. The greatest gains were with 'disadvantaged' students who achieved an 11% rise on both of these measures. Unvalidated Progress 8 measures place should place one school in the top 12% of the country, one in the top 30% and one in the bottom 30%. As a Trust the outcomes place us at the 50th percentile in terms of FFT estimates and P8 at close to 0, i.e. broadly in line.

Bradford Diocesan Academies Trust

Trustees' Report (continued)

KS5 performance at Post 16 remained broadly as last year. One school gained an average grade of C+, one C- and one D+. At the point of writing there are no progress figures available. The school with the lowest average grade has recruited its final intake and will close its sixth form in Summer 2020.

The Trust has also had significant success when participating in external inspections. All school OFSTEDs this year resulted in good judgements and in our latest SIAMs inspection, Bradford Forster Academy was recognised as outstanding.

School	Type	OFSTED (Grade on conversion)	Latest OFSTED in Trust
St Oswalds	Sponsor	Inadequate	Good
Christ Church	Sponsor	Inadequate	Good
St Philips	Sponsor	Inadequate	Good
Westminster	Sponsor	Good but validated at best RI on conversion	Awaiting inspection
Oxenhope	Convertor	Good but validated at best RI on conversion	Awaiting inspection
Bradford Forster Academy	Sponsor	No designation – New School	Good
Immanuel College	Convertor	Good	Awaiting inspection
Belle Vue Girls	Convertor	Good	Good
BBEC	Sponsor	Inadequate	Awaiting inspection
Academy at St James	Sponsor	Inadequate	Awaiting inspection
Woodlands	Convertor	Good	Awaiting inspection
Clayton St John	Sponsor	Inadequate	Awaiting inspection
East Morton	Convertor	Good	Awaiting inspection
St Johns	Convertor	Outstanding	Awaiting inspection
Cullingworth	Convertor	Good	Awaiting inspection
Shipley	Sponsor	Inadequate	Awaiting inspection
Wycliffe	Sponsor	Inadequate	Awaiting inspection

One of the big frustrations for 2017-18 was the lack of opportunity to move forward with plans to open an alternative provision Academy. Despite considerable groundwork and exploration, the DFE has not to date opened up a free school route which Academies can apply to. There is a LA competition scheduled for 2018-19 and depending on the LA success in securing a bid then the Trust can still explore opportunities to open our own AP school.

Key Financial Performance Indicators

The Trust has fulfilled its key financial performance indicators this year which included:

- Managing the Trust's budget and the relating situation in terms of financial soundness.
- Managing the new school pre-opening funding for the new academies joining the Trust.
- Building and growing a reserve fund through the exploration of economies of scale and efficiencies to allow the Trust to develop central operations capacity and school improvement capacity. This has been successful and has enabled the Trust to grow to a core team of thirteen and invest in significant additional school improvement support.
- The Trust has also worked to improve central financial, operational and risk management processes to enable more effective management of the business. Strict budgetary controls are in place and performance is managed against budgets.

Bradford Diocesan Academies Trust

Trustees' Report (continued)

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the 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.

There continues to be uncertainties when budgeting with several pay factors unknown at the time budgetary approval, a prudent approach is always taken with all trustees being made fully aware of all assumptions that have taken place during the production of the budgets. Unfunded pay rises continue to squeeze the budgets and makes it increasingly difficult to forward plan with certainty. The trustees have approved three year balanced budgets within these assumptions.

Employees and Disabled Persons

As of Sept 1st 2018 the Trust employs 1,241 staff. We are an equal opportunities employer across all roles within the Trust.

The Trust has a published Equality and Diversity policy and have refreshed our equality objectives in the summer of 2018 to include the following objectives for 2018-19:

- For employees and governors to understand the Trust's responsibility surrounding equality and diversity, and to be aware of current legislation
- To promote cultural understanding, awareness and tolerance of different religious beliefs between different ethnic groups within our academy communities
- To actively close gaps in attainment and achievement between students for all groups; especially those eligible for Pupil Premium, those with SEND needs, Looked After Children and those from minority ethnic groups
- To review and revise the curriculum at all Key Stages so that it represents the diverse culture of society and encourages tolerance and respect
- To monitor the incidence of the use of racist, sexist and homophobic language by students in our academies
- To promote mental health awareness and develop appropriate interventions.

We also published our first gender pay gap report in 2018. The report does show that the Trust has a larger than average gender pay gap however, this is contextualised by the demographic of the employees in that 76.7% of the workforce is female, and that there is a substantial skew in lower salaried jobs which are historically and predominantly occupied by females. The Trust remains committed to the principle of equal pay regardless of gender, subject to the requirements of TUPE.

Any new employee to school should have access to an Induction programme which is relevant to their role. People with disabilities may require particular reassurance and encouragement when taking up employment in a new role and organisation and therefore a clearly structured Induction Programme is helpful. The Induction process should include:

- Providing the individual information about what support and assistance is available to help them in their role and to identify and agree what reasonable adjustments will be made
- Acknowledging that their needs may change over time and that any adjustments will be reviewed regularly.

New employees who are disabled may also have particular needs which need to be accommodated during the induction programme itself i.e. a hearing loop for induction talks, accessible venues for induction activities and alternative methods of presenting information.

In addition to this, line managers have a responsibility to ensure that disabled staff are treated fairly and have the same opportunities at work as non-disabled colleagues. Other than making the recruitment process barrier free and ensuring reasonable adjustments are place, the Employee Forum on Disability also suggests that line managers should:

Bradford Diocesan Academies Trust

Trustees' Report (continued)

- Take a proactive role in the training and development of all staff, ensuring that it is accessible to disabled employees
- Recognise when someone might have or be developing a disability
- Make sure that disabled employees are not penalised for taking disability related time off

Financial Review

The majority of the Trust's income is obtained from the ESFA in form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets through DFC (Devolved Formula Capital), SCA (School Condition Allocation) and HPCF (Healthy Pupils Capital Fund) from ESFA. Such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Planned growth for the future has been recognised with the addition of four primary schools during the year. These were Clayton St John C of E Primary School, East Morton C of E Primary School, St Johns C of E Primary School and Woodlands C of E Primary Academy joining October 17, November 17 and August 18 respectively.

During the period ended 31 August 2018, total expenditure of £51,182k (2017: £46,476k) was covered by recurrent grant funding from the ESFA together with other incoming resources and brought forward balances. The excess of income over expenditure for the period (excluding restricted fixed asset funds and pension deficit charges) was £1,022k (including £404k surplus on conversion) (2017: £166k), year-end liabilities were £3,687k (2017: £2,505k) of which £849k were agency arrangements.

At 31 August 2018, the net book value of fixed assets was £35,426k (2017: £35,274k) and movements in tangible fixed assets shown on note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy. The fixed assets of the Trust were stated in line with the policy of the National Society and Diocesan Board of Education where only Local Authority land and buildings are recognised as fixed assets. The Diocese land and buildings are available for education use and should be treated much like an operating lease. The assets of Buttershaw Business & Enterprise College Academy are under a PFI contract and therefore have no asset value.

The board delegate authority, through the Scheme of Delegation, over the day to day financial management of each academy to the local governing body and the principal. Budgets are approved by the Board and actual outcomes are reviewed on a regular basis. The Principal ensures that funds are targeted for particular pupils and spent on appropriate resources.

Reserves Policy

All reserves will be reviewed by Trust on a regular basis and an appropriate range of options will be considered which might include releasing the funds into the revenue budget in furtherance of the Trust's objectives, assigning funds to appropriate designated reserves as may be determined by the Trust, or investing the funds to generate further income to allow expansion of the Trust's work.

The Trust has a responsibility to hold reserves that mitigate potential risks against short term reductions in funding and/or income which would financially impact the cash flow of the Trust. The level of reserves that the Trust will aspire to hold will be one and two months of the Trust's expenditure (Range - £3m - £6m). The current value of unrestricted reserves are £3,756k (2017 - £2,774k)

The movement of funds to and from the reserves identified (other than movements from restricted to unrestricted) above will be at the discretion of Bradford Diocesan Academies Trust, or the Finance and Resources Committee; where delegated authority has been provided by the Board of Trustees, subject to the restrictions which will remain attached to Restricted Funds (Revenue and Capital) and their use. The movement of funds from restricted to unrestricted must be subject to obtaining appropriate consent from the original donor of the funds.

Bradford Diocesan Academies Trust

Trustees' Report (continued)

The Trust holds net current assets of £4,741k (2017: £3,287k) at the present time and is listed on the balance sheet. The Trust held fund balances at 31 August 2018 of £32,707k (2017: £34,235k) comprising £36,301k (2017: £35,787k) of restricted funds and £3,756k (2017: £2,774k) of unrestricted general funds. The pension reserve is in deficit as at 31 August 2018 in the sum of £7,460k (2017: £4,326k). This does not have an immediate cash flow impact but may result in increased contributions in future years. Parliament has agreed that the request of the Secretary of State for Education, to guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department of Education.

Investment Policy

The investment objectives of the Trust are to:

Achieve a long-term real rate of return, net of inflation, to provide a source of capital to meet beneficiary and operational needs without subjecting the fund to large disinvestment that could impact the ability of the fund to meet future long-term financial commitments; provide an income to the Trust to help maintain its operational effectiveness in the short term.

However, a total return approach will take precedence, allowing the Trust to focus on investments providing optimal performance in terms of overall return rather than investments which would provide the right balance of capital and income return. The protection of present and future beneficiaries will be a key responsibility of the Trust.

Surplus income should only be invested if there is no requirement to spend the money within 24 months of the investment.

All investments are communicated to the Finance and Resources Committee and currently there are no investments.

Principal Risks and Uncertainties

The trustees strive to improve the levels of performance of its students at all levels. A primary focus will be continuing to drive improvement and manage performance within our open academies; however, the Trust also saw further growth in 2017/18 in the portfolio of academies we support.

The central team has matured and will be able to support the growth plans of the Trust.

The Board keeps under regular review the impact of external influences on its growth plan in order to ensure that it has the capacity to deal with increased growth.

Risk Management

The Trust has introduced a formal risk management programme, which operates across the central Trust office and all our academies. The trustees have assessed the major risks to which the organisation may be exposed, in particular those relating to teaching, provision of faculties, and other operational areas of the Trust, and its finance. The Trustees have implemented a number of systems to assess the risk that the Trust academies face, especially in the operational areas (e.g. in relation to teaching, health and safety and academy trips) and in relation to the controls of finances. They have introduced systems including operational procedures (e.g. vetting of new staff and visitors, supervision on academy grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains, trustees have ensured they have adequate insurance cover. The Trust has a system of internal financial controls which it continuously strives to improve.

Financial and Risk Management Objectives and Policies

The future financial and risk management objectives for the trust includes ensuring that the impact from the current tightening of funding in the public sector is fully taken into consideration when decisions about future spending are taken.

Bradford Diocesan Academies Trust

Trustees' Report (continued)

Fundraising

Low level fundraising activities have taken place during the year on a voluntary basis and the Trust does not currently work with professional fundraisers.

Amounts raised in the year have been mainly fundraising for external charities alongside small amounts for school resources. These have through events like non-uniform days and charity fun days.

Plans for Future Periods

The Trust has agreed its annual strategy for 2018-19 setting out the plans and priorities for the coming year.

Our main focus for the next 12 months will be working with our schools to drive up standards (attainment and progress) including a focus on improving pupil attendance, curriculum and narrowing the gap. Alongside this work we will be looking to consolidate our planned growth and take some time to ensure Trust wide systems, processes and structures are embedded and working effectively and providing value for money.

The Board has agreed four key objectives for 2018-19:

1. Achievement and standards

As a Trust we want to be a provider of good, or preferably outstanding education across all our academies. Education achievement (attainment and progress) remains a priority and will be monitored and challenged through a series of robust and challenging Trust and school targets. Attendance will also be a priority across phases as we need to get all of our children in to school more often so we maximise our opportunities for teaching and learning time

2. Financial security

Budgets are very tight. Although the Trust and our academies do have three year balanced budgets this has been predicated on significant cut-backs and contractual savings. During 2018-19 we will consult on whether to roll out new employment contracts to staff which will help save money and provide us the freedom to set future terms and conditions including pay, which are affordable and within the controls of the Trust. The aim of this work is to meet the Board ambition to minimise the requirement for further restructure or redundancy.

Integrated Curriculum Financial Planning (ICFP) will also be implemented during 2018-19 in the areas where it can have most impact and in line with ESFA requirements.

An ongoing priority for 2018-19 will also be to continue to identify areas where the Trust can make further financial efficiency savings. Further procurement in areas including HR support, staff absence management software, ICT, Management information systems and estates management are all identified as areas of further savings.

3. Growth

While we do not envisage much further mainstream growth, the Trust does still have a limited number of places open for schools wishing to convert in to the Trust or requiring sponsorship. Whilst we are not actively marketing these places should a school be the right partner for the Trust some small growth may be considered. It is more likely that growth will be of a different kind in 2018-19 either through opening up an alternative provision or engaging with an Initial Teacher Training Provision (ITT). We would do this working with key partners with identified expertise in these areas.

4. MAT of choice

Further to the work we began last year we will also continue to look at ways to be a Trust of choice for employees and students. This will include further work to raise the brand and profile of the Trust and schools, maximising the leverage of the "member of the BDAT family".

A member of the
bdot
family

Bradford Diocesan Academies Trust

Trustees' Report (continued)

For the first time the Trust will look to develop a coherent and Trust wide talent development strategy, including a ITT strategy, CPD programme and training for key groups including aspiring Heads and Governors. Piloted initiatives such as our annual career discussions and BDAT Leader of Education will be rolled out more widely across the Trust.

Further work is also required to attract pupils to our schools. A Trust wide consultation is already planned around strengthening our cross school admissions and primary/secondary links but more work is needed to help our schools increase their reputation and brand.

On the back of this work and the contract consultation which has presented a challenging time for staff, BDAT will also be looking to improve our staff communications through the establishment of a staff voice group from early 2019 designed to ensure better feedback from staff to the Trust central team and to the Board.

Summary

Finally, in conclusion, while a lot of activity this year will be seeking to embed and strengthen the Trust structures which have been developed over the last six years, a key activity for 2018-19 will also be developing our three to five-year strategy for where next for BDAT as a mature organisation.

As a Trust we will need to decide whether to pause growth and remain at 20ish schools for the foreseeable future and what this means for the rest of the non-academy Church of England schools in Bradford.

If we are to pause then the Trust needs to consider our next steps in terms of wider system leadership, teaching schools and teacher training - after all this will be what helps us grow our future generations of teachers and leaders.

Funds Held as Custodian Trustee on Behalf of Others

The Trust has agreed to continue to administrate the Behaviour and Collaborative Support fund (BAC) for fifteen secondary schools in Bradford. The BAC's approach is to manage challenging behaviour and attendance across the fifteen secondary schools. This alternative provision is managed through an agency agreement mechanism where the finance staff of the Trust administer the funds. The year-end cash balance of the Trust is reflected in the balance sheet with a corresponding creditor. Therefore the overall amounts have no effect on the funds of the Trust.


Auditor

Saffery Champness LLP were appointed auditors during the year and have indicated their willingness to continue in office.

Statement as to disclosure of information to the auditor

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The trustees' Report is approved by order of the Board of Trustees and the Strategic Report (included therein) is approved by the Board of Governors in their capacity as Directors at a meeting on the 13 December 2018 and signed on its behalf:



.....
Mrs Theresa Mason
Chair of Trustees

Bradford Diocesan Academies Trust

Governance Statement

Scope of Responsibility

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

The Board of Trustees' has delegated the day-to-day responsibility to the Chief Executive Officer as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Bradford Diocesan Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Financial matters are dealt with by the Finance & Resources Committee, consisting of Board and staff members who are responsible for ensuring internal controls are implemented and that risks are kept under review. The Audit Committee reviews compliance and procedural matters of the external audit and meets at least twice a year.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees had 6 meetings between 1 September 2017 and 31 August 2018. Attendance during the year at meetings of the governing body was as follows:

<i>Trustee</i>	<i>Meetings attended</i>	<i>Out of a possible</i>
Mrs Theresa Mason (<i>Chair</i>)	5	6
Mr Anthony Hesselwood	6	6
Ms Carol Dewhurst (<i>CEO & Accounting Officer</i>)	6	6
Reverend Canon Denise Poole	3	6
Dr Margaret Platts	5	6
Mrs Catherine Wilson	3	6
Mrs Denise Sterling	4	6
Mr Bill Henry	4	6
Mr Roland Clark	5	6
Mrs Nurjahan Ali Arobi	5	6
Mr Stephen Emsley	6	6
Mrs Ruby Bhatti	5	6
Mrs Pauline Hagen	3	6
Mrs Judith Kirk	1	1

Key changes in the composition of the Board of Trustees 2017-18 – additional educational experience is brought by both new Trustees and links into the strategic future plans.

There were two appointments during the year.

1. Ms Judith Kirk – 5 June 2018
2. Mr Peter Addison-Childs - 27 September 2018

Bradford Diocesan Academies Trust

Governance Statement (continued)

There were two resignations during the year:

1. Reverend Canon Denise Poole - 17 July 2018
2. Dr Margaret Platts - 17 July 2018

Each academy has its own Local Governing Body which has some delegated powers as defined in the Scheme of Delegation. The trustees believe the current governance structure is appropriate to the size of the Trust and acknowledge that this will be developed over time as the number of academies in the Trust increases. We conduct an annual Trust audit and governance review in each of our academies to look at effectiveness, priorities, skills gaps and areas for development.

The Finance and Resources Committee is also a sub-committee of the main Board of Trustees. Its purpose is to evaluate the financial performance of the organisation and to ensure finance resources are used appropriately and in accordance with the objectives of the organisation. To ensure that the appropriate advice and recommendations are made to the Board to ensure the ongoing viability of the organisation occurs.

Trustee	Meetings attended	Out of a possible
Mr Anthony Hesselwood (<i>Chair</i>)	5	6
Ms Carol Dewhurst	6	6
Mr Roland Clark	6	6
Mr Bill Henry	4	6

The Secondary Committee is also sub-committee of the main Board of Trustees. Its purpose is to evaluate the curricular performance of the secondary academies in the organisation.

Trustee	Meetings attended	Out of a possible
Dr Margaret Platts (<i>Chair</i>)	5	5
Ms Carol Dewhurst	4	5
Mrs Denise Sterling	2	5
Mrs Nurjahan Ali Arobi	2	5
Mrs Catherine Wilson	1	5
Mrs Pauline Hagen	1	5
Ms Judith Kirk	1	1

The Primary Committee is also sub-committee of the main Board of Trustees. Its purpose is to evaluate the curricular performance of the primary academies in the organisation.

Trustee	Meetings attended	Out of a possible
Mrs Ruby Bhatti (<i>Chair</i>)	3	3
Ms Carol Dewhurst	2	3
Reverend Canon Denise Poole	2	3
Mr Stephen Emsley	1	3

The Audit Committee is also a sub-committee of the main Board of Trustees and had its first meeting was the 30 November 2017. It has an independent Chair Mr Richard Giles. This committee is commissioned to meet at least twice a year to review all quality assurance, financial, internal audit, external audit processes, health and safety, safeguarding and education.

Bradford Diocesan Academies Trust

Governance Statement (continued)

Trustee	Meetings attended	Out of a possible
Mr Richard Giles (<i>Chair- Not a trustee</i>)	2	2
Mrs Catherine Wilson	1	2
Mrs Nurjahan Ali Arobi	2	2
Mrs Ruby Bhatti	1	1
Mr Stephen Emsley	2	2
Mr Tony Hesselwood	1	1

Review of Value for Money

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

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

- Renegotiating contracts in a timely manner to ensure the best mix of quality and cost effectiveness. Major purchases and contracts are always tendered.
- Entering into longer term contracts to deliver reduced costs where it is felt that this would benefit the academies and the Trust.
- Exploring various framework purchasing options both online and direct through suppliers to achieve best value.
- Working with other local schools to share knowledge about experience of best value together with quality of service and reliability through the business manager meetings.
- Review of contracts on an annual basis to ensure they are fit for purpose and best value.
- Central purchasing for large contracts to achieve economies of scale.

There are some good examples during 2017/18 that have provided significant savings:

- Continued expansion of the Executive Business Manager model to work across multiple locations.
- Energy has been procured centrally to provide economies of scale.
- A review of managed IT services has led to a procurement exercise that has significantly reduced costs.
- A review of catering facilities has led to a procurement of a new catering provider and an improved service with reduced costs.
- Purchase of reconditioned laptops with same guarantee as new ones.
- LED Lighting installed to save money and energy.

The Academies continue to generate income through lettings facilities out of school hours. Facilities have been hired to clubs and educational groups to raise additional revenues.

Bradford Diocesan Academies Trust

Governance Statement (continued)

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bradford Diocesan Academies Trust for the period 1 September 2017 to 31 August 2018 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2017 and 31 August 2018 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports, which are reviewed and agreed by the Board of Trustees.
- regular reviews by the Finance and Resources Committee of reports, which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- setting targets to measure financial and other performance.
- testing of the payroll and the bank reconciliations.
- 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 as follows:

- An Audit Committee has been created and held its first meeting on the 30 November 2017 and will consider the audit recommendations.
- In 2017/18 there were internal financial audits carried out by the Chair of Finance and Resources Committee and the CFO and Executive Business Managers with reports being generated for the LGB's and the Audit Committee. A remedial action plan is produced to ensure that corrective actions have taken place.
- Internal audit inspections have been carried out in each academy to evaluate the systems relating to payroll and HR, safeguarding, compliance, cash handling and purchasing.
- Systems are being developed and training has been given to address weaknesses identified.

The CFO's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. The CFO will report to the board of Trustees, through the Finance & Resources Committee, on the operation of the systems of control and on the discharge of the board of trustee's financial responsibilities.

Bradford Diocesan Academies Trust

Governance Statement (continued)

Review of Effectiveness

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

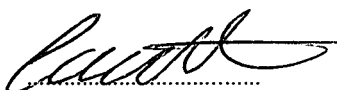
- the financial management and governance self-assessment process;
- the work of the internal audit function
- the work of the external auditor
- the work of the executive team within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 13 December 2018 and signed on its behalf by:



Mrs Theresa Mason
Chair of Trustees



Ms Carol Dewhurst
Accounting Officer

Bradford Diocesan Academies Trust

Statement on Regularity, Propriety and Compliance

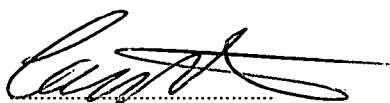
As Accounting Officer of Bradford Diocesan Academies Trust, I have considered my responsibility to notify the Trust governing body and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with Education and Skills Funding Agency terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State for Education. As my part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of the funding under the Trust's funding agreement and the Academies Financial Handbook 2017.

I confirm that the following instance of material irregularity, impropriety or funding non-compliance discovered to date has been notified to the Board of Trustees and the ESFA. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA:

Financial Issues

- During the year there were five instances where the Trust's procurement processes had not been followed in full; three quotes had not been obtained for expenditure in excess of £10,000.



Ms Carol Dewhurst

Accounting Officer

13 December 2018

Bradford Diocesan Academies Trust

Statement of Trustees' Responsibilities

Year ended 31 August 2018

The Trustees (who act as Governors of Bradford Diocesan Academies Trust and are also the directors of the Charitable Company for the purposes of company law), are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued 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:

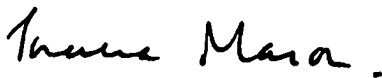
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academy Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 conforms to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the Education & Skills Funding Agency/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 members of the Board of trustees on 13 December 2018 and signed on its behalf by:



.....
Mrs Theresa Mason
Chair of Trustees

Bradford Diocesan Academies Trust

Independent Auditor's Report on the Financial Statements to the Members of Bradford Diocesan Academies Trust

Opinion

We have audited the financial statements of Bradford Diocesan Academies Trust (the 'Trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income & Expenditure Account, 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 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the 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 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Bradford Diocesan Academies Trust

Independent Auditor's Report on the Financial Statements to the Members of Bradford Diocesan Academies Trust (continued)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report 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 Trustees' Report (incorporating the Strategic Report and the Directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

Responsibilities of Trustees

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

Bradford Diocesan Academies Trust

Independent Auditor's Report on the Financial Statements to the Members of Bradford Diocesan Academies Trust (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, 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: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of Our Report

This report is made solely to the 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 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 Trust and the Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Davis (Senior Statutory Auditor)
for and on behalf of
SAFFERY CHAMPNESS LLP, Statutory Auditor

Mitre House
North Park Road
Harrogate
HG1 5RX

19 December 2018

Bradford Diocesan Academies Trust

Independent Reporting Accountants' Assurance Report on Regularity to Bradford Diocesan Academies Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 20 June 2018 and further to the requirements of the Education Skills & 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 Bradford Diocesan Academies Trust 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 Bradford Diocesan Academies Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Bradford Diocesan Academies Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Bradford Diocesan Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Bradford Diocesan Academies Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Bradford Diocesan Academies Trust's funding agreement with the Secretary of State for Education dated October 2012 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 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 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Bradford Diocesan Academies Trust

Independent Reporting Accountants' Assurance Report on Regularity to Bradford Diocesan Academies Trust and the Education & Skills Funding Agency (continued)

The work undertaken to draw our conclusion includes:

- an assessment of the risk of material irregularity and impropriety across the Academy Trust's activities;
- evaluation of the processes and controls established and maintained in respect of regularity, propriety and compliance of the use of public funds through observation and testing of the arrangements in place and enquiry of the Accounting Officer;
- consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance; and
- limited testing on a sample basis of income and expenditure for the areas identified as high risk.

Conclusion

In the course of our work, except for the matter listed below, 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.

- During the year there were five instances where the Trust's procurement processes had not been followed in full; three quotes had not been obtained for expenditure in excess of £10,000.



Jonathan Davis (Reporting Accountant)
for and on behalf of
SAFFERY CHAMPNESS LLP

Mitre House
North Park Road
Harrogate
HG1 5RX

19 December 2018

Bradford Diocesan Academies Trust

Statement of Financial Activities for the year ended 31 August 2018

(including Income and Expenditure Account)

					2017/18	2016/17
		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds		
Income and endowments from:	Note	£000	£000	£000	£000	£000
Donations and capital grants	2		4,632	1,213	5,845	21,731
Transfer from Local Authority on Conversion	2	404	(1,620)	317	(899)	-
Charitable activities:						
Funding for the trust's educational operations	3	-	42,588	-	42,588	39,342
Other trading activities	4	2,367	-	-	2,367	2,518
Total		2,771	45,600	1,530	49,901	63,591
Expenditure on:						
Raising Funds	5	390	-	-	390	311
Charitable activities:						
Academy trust educational operations	7	851	48,798	1,143	50,792	46,165
Total		1,241	48,798	1,143	51,182	46,476
Net income / (expenditure)		1,530	(3,198)	387	(1,281)	17,115
Transfers between funds	15	(548)	352	196	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	23	-	(247)		(247)	4,462
Net movement in funds		982	(3,093)	583	(1,528)	21,577
Reconciliation of funds						
Total funds brought forward		2,774	(4,256)	35,717	34,235	12,658
Total funds carried forward		3,756	(7,350)	36,301	32,707	34,235

All activities in the current and prior year relate to continuing operations.

Bradford Diocesan Academies Trust

Balance Sheet as at 31 August 2018


Company Number 08258994

	Notes	2017/18 £000	2017/18 £000	2016/17 £000	2016/17 £000
Fixed assets					
Tangible assets	11		35,426		35,274
Current assets					
Stock	12	3		2	
Debtors	13	1,152		719	
Cash at bank and in hand	21	7,273		5,071	
		<u>8,428</u>		<u>5,792</u>	
Liabilities					
Creditors: Amounts falling due within one year	14	(3,687)		(2,505)	
Net current assets			<u>4,741</u>		<u>3,287</u>
Total assets less current liabilities			40,167		38,561
Creditors: Amounts falling due after more than one year			-		-
Net assets excluding pension liability			<u>40,167</u>		<u>38,561</u>
Defined benefit pension scheme liability	23		(7,460)		(4,326)
Total assets			<u>32,707</u>		<u>34,235</u>
Funds of the trust:					
Restricted funds					
Fixed asset fund	15	36,301		35,717	
Restricted income fund	15	110		70	
Pension reserve	15	(7,460)		(4,326)	
Total restricted funds			28,951		31,461
Unrestricted income funds	15		<u>3,756</u>		<u>2,774</u>
Total funds			<u>32,707</u>		<u>34,235</u>

The financial statements on pages 29 - 67 were approved by the trustees, and authorised for issue on 13th December 2018 and are signed on their behalf by:

Mr Tony Hesselwood

Trustee



Bradford Diocesan Academies Trust

Statement of Cash Flows for the year ended 31 August 2018

	Notes	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	19	2,066	2,893
Cash flows from investing activities	20	136	161
Change in cash and cash equivalents in the reporting period		2,202	3,054
Cash and cash equivalents at 1 September 2017		5,071	2,017
Cash and cash equivalents at the 31 August 2018	21	7,273	5,071

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the period 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.

Basis of Preparation

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Trust meets the definition of a public benefit entity under FRS 102.

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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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 incoming resources are recognised when the 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.

Capital grants are recognised in full when there is an unconditional 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 sheet in the restricted fixed asset fund.

Sponsorship Income

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

Bradford Diocesan Academies Trust

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

Note 1 (continued)

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 Trust has provided the goods or services.

Donated goods, facilities and services

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

Transfer on Conversion

Where assets and liabilities are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

Transfer of Existing Academy into the Trust

Where assets and liabilities are received on the transfer of an existing academy into the trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when risks and rewards of ownership pass to the trust. An equal amount of income for the transfer of an existing academy into the trust within Donations and capital grant income to the net assets acquired.

Donated fixed assets (excluding Transfers on conversion/into the trust)

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's accounting policies.

Expenditure

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

Expenditure on Raising Funds

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

Bradford Diocesan Academies Trust

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

Note 1 (continued)

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding 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 life, as follows:

Long leasehold buildings	100 years
Leasehold Improvements	100 years
Fixtures, fittings and equipment	5 years
ICT hardware	3 years
Motor Vehicles	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 and reclassified to freehold or leasehold land and buildings.

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.

Land and Buildings

Where the land and buildings are made available to the Trust under a Church Supplemental Agreement they are recognised as being occupied on similar terms to an operating lease. Such agreements give the trustees of the premises the right to give notice (2 or 7 years) and in effect make a donation committed for the remainder of the notice period. These donations made by the site trustees are recognised on a time basis relative to the period for which a notional rent is recognised. Rent is estimated at 7% of the value of the land and buildings, being a reasonable estimate of the return required by a commercial landlord.

The land and buildings held under the Local Authority are held under a 125 year lease and are recognised as a fixed asset.

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 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.

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the period ended 31

August 2018 (continued)

Note 1 (continued)

Provisions

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

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

Leased Assets

Rentals under operating leases are charged on an accruals basis over the term of the lease.

Investments

The Trust will invest funds that have no need within a 24 month period. These investments will be in low risk categories however yielding the greatest returns. The investments will meet the Trust's ethical standards. The Trust currently only manages a 32 day savings account. The current position is that there are no funds invested therefore all balances are in cash and bank (note 21)

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 19. 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 financial instruments, and are measured at amortised cost as detailed in notes 19 and 20. 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 other financial instrument.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Taxation

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

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

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the period ended 31

August 2018 (continued)

Note 1 (continued)

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a 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 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.

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 and Department for Education.

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the period ended 31

August 2018 (continued)

Note 1 (continued)

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The 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 23, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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

The Trust has to comply with Diocesan rules around accounting for land within its financial statements. There is consideration on whether there is a two or seven year right to use the land a property of Diocesan ownership.

Bradford Diocesan Academies Trust

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

2 Donations and capital grants

			2017/18	2016/17
	Unrestricted	Restricted		
	Funds	Funds	Total	Total
	£000	£000	£000	£000
Transfer on Conversion	404	(1,303)	(899)	18,516
Notional Donation in respect of rent	-	4,632	4,632	2,099
Capital Grants	-	1,131	1,131	842
Donations	-	82	82	274
	<u>404</u>	<u>4,542</u>	<u>4,946</u>	<u>21,731</u>

3 Funding for the Trust's Educational Operations

			2017/18	2016/17
	Unrestricted	Restricted		
	Funds	Funds	Total	Total
	£000	£000	£000	£000
DfE / ESFA grants				
General Annual Grant (GAG)	-	36,961	36,961	32,615
Start Up Grants	-	286	286	120
Other DfE/ESFA grants	-	3,513	3,513	3,293
	<u>-</u>	<u>40,760</u>	<u>40,760</u>	<u>36,028</u>
Other Government grants				
Local authority grants	-	1,451	1,451	3,202
Special educational needs	-	377	377	112
	<u>-</u>	<u>1,828</u>	<u>1,828</u>	<u>3,314</u>
	<u>-</u>	<u>42,588</u>	<u>42,588</u>	<u>39,342</u>

4 Other trading activities

			2017/18	2016/17
	Unrestricted	Restricted		
	Funds	Funds	Total	Total
	£000	£000	£000	£000
Income from other charitable activities	25	-	25	29
Catering	842	-	842	679
Trips	374	-	374	277
Other Income	323	-	323	1,181
Pupil/ITT Income	188	-	188	-
Facilities	176	-	176	184
Breakfast/Clubs	150	-	150	63
Insurance Refunds/Claims	123	-	123	76
Trading with Other Trust	106	-	106	-
School Fund	60	-	60	-
	<u>2,367</u>	<u>-</u>	<u>2,367</u>	<u>2,489</u>

Bradford Diocesan Academies Trust

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

5 Expenditure	Non Pay Expenditure			2017/18	2016/17
	Staff Costs £000	Premises £000	Other £000	Total £000	Total £000
Expenditure on raising funds:					
Direct costs	-	-	-	-	-
Allocated support costs	-	-	390	390	311
Trust's educational operations:					
Direct costs	27,420	-	2,592	30,012	28,496
Allocated support costs	5,872	9,709	5,199	20,780	17,669
	33,292	9,709	8,181	51,182	46,476
Net Income/(expenditure) for the period includes:				2017/18	2016/17
				£000	£000
Operating lease rentals				6,134	3,579
Depreciation				1,143	1,027
Fees payable to auditor for:					
- Audit				25	14
- Other services				-	2
Clerking and SLA				-	10
Indemnity Insurance				4	4
Trustee Reimbursed Expenses				2	1

Bradford Diocesan Academies Trust

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

6 Analysis of grants

			2017/18	2016/17
	Unrestricted Funds	Restricted Funds	Total	Total
	£000	£000	£000	£000
Improvements to diocesan property occupied by the Trust	4	241	245	179
	4	241	245	179

7 Charitable Activities

	2017/18	2016/17
	Total	Total
	£000	£000
Direct costs - educational operations	30,012	28,496
Support costs - educational operations	20,780	17,980
	50,792	46,476

	2017/18	2016/17
Analysis of support costs	Educational operations	Total
	£000	£000
Support staff costs	8,206	8,206
Depreciation	1,143	1,143
Technology costs	397	397
Premises costs	8,169	8,169
Other support costs	2,838	2,838
Governance costs	27	27
Total support costs	20,780	20,780

Bradford Diocesan Academies Trust

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

8 Staff

	2017/18	2016/17
a. Staff costs		
Staff costs during the period were:	Total	Total
	£000	£000
Wages and salaries	26,685	23,106
Social security costs	2,566	2,202
Pension Costs	2,672	3,261
	31,923	28,569
Agency Staff Costs	1,111	1,331
Staff restructuring costs	258	190
	33,292	30,090
Staff restructuring costs comprise:		
Redundancy payments	109	-
Severance payments	142	190
Other restructuring costs	7	-
	258	190

b. Non statutory/non contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling 2018: £68k (2017: £190k). Individually, the payments were: £34k made on 24/08/18, £12k made on 26/3/18, £5k made on 30/4/18, £4k made on 20/1/18, £4k made on 8/11/17, £4k made 26/10/17, £3k made on 26/8/18, £2k made on 6/2/18.

c. Staff numbers

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

	2017/18	2016/17
	No.	No.
Teachers	419	390
Administration and support	738	606
Management	84	74
	1,241	1,070

Bradford Diocesan Academies Trust

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

8 Staff (continued)

d Higher paid staff

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

	2017/18	2016/17
	No.	No.
£60,001 - £70,000	13	14
£70,001 - £80,000	6	4
£80,001 - £90,000	2	3
£90,001 - £100,000	1	2
£100,001 - £110,000	3	2
£150,001 - £160,000	1	1

Twenty-five of the twenty-six above employees participated in the Teachers' Pension Scheme

The twenty-sixth person was in the Local Government Pension Scheme

e Key management personnel

The key management personnel of the trust comprise the trustees and the senior management team as listed on page 3. 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 trust was £427,666 (2017: £338,458).

Bradford Diocesan Academies Trust

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

9 Related Party Transactions - Trustees' Remuneration and Expenses

One trustee has been paid remuneration or has received other benefits from an employment with the Trust. The Chief Executive Officer only receives remuneration in respect of services she provides undertaking the role of Chief Executive Officer under her contract of employment, and not in respect of her role as a trustee.

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

Ms Carol Dewhurst (Chief Executive Officer and Trustee):

Remuneration £100,000 - £110,000 (2017: £80,000 - £90,000)

Employer's pension contributions paid £10,000 - £15,000 (2017: £10,000 - £15,000)

During the period ended 31 August 2018, travel and subsistence expenses totaling £1,115 (including the CEO) were reimbursed or paid directly to 2 trustees (2017: £652 to 2 trustees).

10 Trustees' and Officers' Insurance

In accordance with normal commercial practice the trust has purchased trust insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust's business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period 1 September 2017 to 31 August 2018 was £4,500 (2017: £4,023). The cost of this insurance is included in the total insurance cost.

Bradford Diocesan Academies Trust

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

11 Tangible Fixed Assets

	Leasehold Land and Buildings	Leasehold Improve- ments	Furniture and Equipment	Computer Hardware	Motor Vehicle	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 September 2017	33,789	179	1,587	1,413	1	36,969
Additions	-	245	763	286	-	1,293
Disposals	-	-	-	-	-	-
At 31 August 2018	33,789	424	2,350	1,699	1	38,262
Depreciation						
At 1 September 2017	507	1	482	703	-	1,693
Charged in year	338	2	356	447	-	1,143
Disposals	-	-	-	-	-	-
At 31 August 2018	845	3	838	1,150	-	2,836
Net book values						
At 31 August 2017	33,282	178	1,105	710	1	35,276
At 31 August 2018	32,944	421	1,511	549	1	35,426

The Trust's transactions relating to land and buildings included:

Where land and buildings are made available to the Trust under a Church Supplemental Agreement they are recognised as being occupied on similar terms as an operating lease. Such agreements give the trustees of the premises the right to give notice (2 or 7 years) and in effect make a donation committed for the remainder of the notice period. These donations by the site trustees are recognised on a time basis relative to the period for which a notional rent is recognised. Rent is estimated at 7% of the value of the land and buildings, being a reasonable estimate of the return required by a commercial landlord.

The land and buildings that ten of the Academies operate from are properties held in Trust by The Leeds Diocesan Board of Finance (LDBF) and will operate under the above policy. There were four additional schools that have been included during 2017/2018

The land and buildings held under the Local Authority are held under a 125 year lease. These academies are listed below and there were no additions to this lease arrangement during 2017/2018:

- 1) Bradford Forster Academy
- 2) St Philips Church of England Primary Academy
- 3) Belle Vue Girls' Academy
- 4) All Playing Fields

The Trust currently has one PFI Academy - Buttershaw Business & Enterprise College. This is shown as an operating lease as the risks and rewards of ownership are deemed to be that of the contractor.

Bradford Diocesan Academies Trust

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

12 Stock	2017/18	2016/17
	£000	£000
Catering Stock	3	2
	<u>3</u>	<u>2</u>

13 Debtors	2017/18	2016/17
	£000	£000
Trade debtors	35	59
VAT recoverable	74	78
Prepayments and accrued income	1,043	582
	<u>1,152</u>	<u>719</u>

14 Creditors: Amounts Falling due within one year	2017/18	2016/17
	£000	£000
Trade creditors	357	383
Other taxation and social security	670	533
Other ESFA creditors	49	40
Other creditors	1,413	-
Accruals and deferred income	1,198	1,550
	<u>3,687</u>	<u>2,506</u>

Deferred income	2017/18	2016/17
	£000	£000
Deferred income at 1 September 2017	1,020	445
Released from previous years	(1,020)	(445)
Resources deferred in the year	615	1,020
Deferred Income at 31 August 2018	<u>615</u>	<u>1,020</u>

Bradford Diocesan Academies Trust

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

15 Funds

	Balance at 1 September 2017	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2018
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	-	45,352	(45,704)	352	-
Other Annual Grants	70	1,587	(1,657)	-	-
Start Up Grant	-	190	(170)	-	20
School Improvement	-	90	-	-	90
Pension reserve	(4,326)	(1,620)	(1,267)	(247)	(7,460)
	(4,256)	45,599	(48,798)	105	(7,350)
Restricted fixed asset funds					
DfE/ESFA capital grants	443	1,131	-	-	1,574
Local Authority Capital Sponsorship	13,821	-	(317)	-	13,504
Private Capital Donation	-	83	-	-	83
Capital Expenditure from GAG	1,290	-	-	196	1,486
Transfer on conversion	20,163	317	(826)	-	19,654
	35,717	1,531	(1,143)	196	36,301
Total restricted funds	31,461	47,130	(49,941)	301	28,951
Total unrestricted funds	2,774	2,771	(1,241)	(548)	3,756
Total funds	34,235	49,901	(51,182)	(247)	32,707

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

General Annual Grant (GAG)

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

Other Annual Grants

This fund relates to other DfE/ESFA grants received to carry out the objectives of the academies.

Start Up Grant

Funds provided by ESFA/Local Authority for pre-opening costs.

School Improvement

This fund relates to the improvement grants received for each academy. The terms of the grant state this must be spent within 6 years of receipt on academy improvement projects.

Bradford Diocesan Academies Trust

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

15 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
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	-	34,729	(34,729)		-
Other Annual Grants	218	6,567	(8,817)	2,102	70
Start Up Grant	75	25	(100)	-	-
School Improvement	40	120	(160)		-
Pension reserve	(4,464)	(2,992)	(1,332)	4,462	(4,326)
	(4,131)	38,449	(45,138)	6,564	(4,256)
Restricted fixed asset funds					
DfE/ESFA capital grants	13	842		(412)	443
Local Authority Capital Sponsorship	14,124	-	(302)	(1)	13,821
Private Capital Donation	-	-	-	-	-
Capital Expenditure from GAG	604	274	-	412	1,290
Transfer on conversion	1,035	19,853	(725)		20,163
	15,776	20,969	(1,027)	(1)	35,717
Total restricted funds	11,645	59,418	(46,165)	6,563	31,461
Total unrestricted funds	1,013	4,173	(311)	(2,101)	2,774
Total funds	12,658	63,591	(46,476)	4,462	34,235

Bradford Diocesan Academies Trust

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

15 Funds (continued)

A current year 12 months and a prior year 12 months combined position is as follows:

	Balance at 1 September 2016	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2018
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	-	80,081	(80,433)	352	-
Other Annual Grants	218	8,154	(10,474)	2,102	-
Start Up Grant	75	215	(270)	-	20
School Improvement	40	210	(160)	-	90
Pension Reserve	(4,464)	(4,612)	(2,599)	4,215	(7,460)
	(4,131)	84,048	(93,936)	6,669	(7,350)
Restricted fixed asset funds					
DfE/ESFA capital grants	13	1,973	-	(412)	1,574
Local Authority Capital Sponsorship	14,124	-	(619)	(1)	13,504
Private Capital Donation	-	83	-	-	83
Capital Expenditure from GAG	604	274	-	608	1,486
Transfer on conversion	1,035	20,170	(1,551)	-	19,654
	15,776	22,500	(2,170)	195	36,301
Total restricted funds	11,645	106,548	(96,106)	6,864	28,951
Total unrestricted funds	1,013	6,944	(1,552)	(2,649)	3,756
Total funds	12,658	113,492	(97,658)	4,215	32,707

Bradford Diocesan Academies Trust

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

15 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2018 were allocated as follows:

	2017/18	2016/17
	£000	£000
Academy At St James	139	68
Belle Vue Girls' Academy	1046	976
Bradford Forster Academy	530	367
Buttershaw Business & Enterprise College Academy	49	177
Christ Church C of E Academy	81	103
Clayton St John C of E Primary Academy	58	-
East Morton C of E Primary School	203	-
Immanuel College	445	449
Oxenhope C of E Primary School	(9)	2
St Johns C of E Primary School	169	-
St Oswalds C of E Primary Academy	334	266
St Philips C of E Primary School	50	8
Westminster C of E Primary Academy	75	57
Woodlands C of E Primary Academy	2	-
Central services (LGPS Reserve)	200	-
Central services	384	301
Total before fixed assets and pension reserve	3,756	2,774
Restricted fixed asset fund	36,411	35,787
Pension reserve	(7,460)	(4,326)
Total	32,707	34,235

Oxenhope C of E Primary School has a deficit closing position of £9k due to a restructure that occurred at the end of the financial year, which will enable the school to return to long term financial stability.

The carry forward position at the end of 2017/18 is through robust financial management from our schools and the impact of restructures to sustain long term financial viability. The increase has also been impacted from the conversion of schools with large carry forward balances.

Bradford Diocesan Academies Trust

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

15 Funds (continued)

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

2017/18 2016/17

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excl. Depreciation) £000	Total £000	Total £000
Academy At St James	1,175	64	132	336	1,707	1,360
Belle Vue Girls' Academy	5,312	740	323	486	6,860	7,568
Bradford Forster Academy	2,336	521	299	724	3,880	2,967
Buttershaw Business & Enterprise College Academy	5,949	447	563	2,194	9,153	10,235
Christ Church C of E Academy	771	94	85	201	1,151	1,159
Clayton St John C of E Primary Academy	1,266	190	101	198	1,755	-
East Morton C of E Primary School	636	65	48	120	869	-
Immanuel College	5,408	933	626	902	7,868	8,471
Oxenhope C of E Primary School	677	98	44	150	969	1,011
St Johns C of E Primary School	1,270	193	80	289	1,833	-
St Oswalds C of E Primary Academy	1,615	154	119	302	2,190	2,563
St Philips C of E Primary School	803	126	46	190	1,165	1,259
Westminster C of E Primary Academy	2,270	226	168	456	3,120	3,422
Woodlands C of E Primary Academy	30	4	-	4	38	-
Central services	309	722	134	6,316	7,481	5,434
Academy Trust	29,827	4,577	2,768	12,868	50,039	45,449

Bradford Diocesan Academies Trust

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

16 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	36,301	36,301
Current assets	3,756	(3,577)	-	179
Current liabilities	-	3,687	-	3,687
Pension scheme liability	-	(7,460)	-	(7,460)
Total net assets	3,756	(7,350)	36,301	32,707

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	35,274	35,274
Current assets	2,774	2,575	443	5,792
Current liabilities	-	(2,505)	-	(2,505)
Pension scheme liability	-	(4,326)	-	(4,326)
Total net assets	2,774	(4,256)	35,717	34,235

17 Capital commitments

	2017/18 £000	2016/17 £000
Contracted for, but not provided in the financial statements	82	443

Bradford Diocesan Academies Trust

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

18 Commitments under operating leases

Operating Leases

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

Buttershaw Business & Enterprise College who converted September 2016 had a PFI arrangement which commenced in 2008 through Integrated Bradford (Amey) for a 25 year period. The services covered are for site management, cleaning services, ground maintenance, health & safety, energy and utilities, caretaking, policy and strategy, partnerships and resources.

	2017/18	2016/17
	£000	£000
Amounts due within one year	1,502	1,480
Amounts due between one and five years	5,738	5,753
Amounts due after five years	14,131	15,544
	21,372	22,777

Non-cancellable contracts

At 31 August 2018 the Trust was treating its right to use the land and buildings made available by The Leeds Diocesan Board of Finance, as being similar to an operating lease (as per the Tangible Fixed Assets policy). The Trust was also recognising a related rental charge on the same basis. Amounts receivable and payable under this non-cancellable agreement was:

	2017/18	2016/17
	£000	£000
Amounts due within one year	4,632	2,099
Amounts due between one and five years	5,007	2,474
	9,639	4,573

Bradford Diocesan Academies Trust

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

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

	2017/18	2016/17
	£000	£000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(1,281)	17,115
Adjusted for:		
Depreciation charges (note 11)	1,143	1,027
Capital grants from DfE and other capital income (note 20)	(1,448)	(20,832)
Interest receivable	(10)	(7)
Defined benefit pension scheme obligation inherited	1,620	2,992
Defined benefit pension scheme cost less contributions payable (note 23)	1,181	1,332
Defined benefit pension scheme finance cost (note 23)	114	138
(Increase)/decrease in stocks	(1)	(2)
(Increase)/decrease in debtors	(433)	(184)
Increase/(decrease) in creditors	1,181	1,314
Net cash provided by / (used in) Operating Activities	2,066	2,893

20 Cash flows from investing activities

	2017/18	2016/17
	£000	£000
Dividends, interest and rents from investments	-	7
Purchase of tangible fixed assets	(1,312)	(20,541)
Capital grants from DfE/ESFA	1,131	842
Transfer of fixed assets on conversion	317	19,853
Net cash provided by / (used in) investing activities	136	161

21 Analysis cash and cash equivalents

	2017/18	2016/17
	£000	£000
Cash in hand and at bank	7,273	5,071
Total cash and cash equivalents	7,273	5,071

22 Members' Liability

Each member of the Trust 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.

Bradford Diocesan Academies Trust

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

23 Pension and similar obligations

The 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 West Yorkshire Pension Fund. Both are multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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 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%.

Bradford Diocesan Academies Trust

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

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 the April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer pension costs paid to TPS in the period amounted to £2,657,182 (2017: £2,347,741)

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 trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Bradford Diocesan Academies Trust

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

23 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £1,654,000 (2017: £1,265,000), of which employer's contributions totalled £1,181,000 (2017: £888,000) and employees' contributions totalled £473,000 (2017: £377,000). The agreed contribution rates for future years are between 12.4 per cent and 18.4 per cent for employers and between 5.5 per cent and 12.5 per cent for employees.

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

Principal Actuarial Assumptions	2017/18	2016/17
Rate of increase in salaries	3.25%	2.00%
Rate of increase for pensions in payment/inflation	2.00%	2.00%
Discount rate for scheme liabilities	2.80%	2.50%
Inflation assumption (CPI)	2.00%	2.00%

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

	2017/18	2016/17
<i>Retiring today</i>		
Males	22.1	22.1
Females	25.3	25.2
<i>Retiring in 20 years</i>		
Males	23.1	23.0
Females	27.1	27.0

Sensitivity Analysis	2017/18	2016/17
	£000	£000
Discount rate +0.1%	27,086	18,551
Discount rate -0.1%	28,412	19,458
Mortality assumption - 1 year increase	28,547	18,426
Mortality assumption - 1 year decrease	26,938	19,576
CPI rate +0.1%	27,996	19,172
CPI rate -0.1%	27,488	18,828

Bradford Diocesan Academies Trust

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

23 Pension and similar obligations (continued)

The trust's share of the assets in the scheme were:	2017/18	2016/17
	£000	£000
Equities	15,130	11,313
Property	852	660
Government bonds	2,190	1,409
Corporate bonds	710	572
Cash	446	220
Other	953	499
Total market value of assets	20,281	14,673

The actual return on scheme assets was £1,024,000 (2017: £1,565,000).

Amounts recognised in the statement of financial activities	2017/18	2016/17
	£000	£000
Current service cost (net of employee contributions)	(2,318)	(2,082)
Net interest cost	(114)	(138)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	(16)	-
Total amount recognised in the SOFA	(2,448)	(2,220)

Changes in the present value of defined benefit obligations were:	2017/18	2016/17
	£000	£000
At 1 September	18,999	10,907
Current service cost	2,318	2,082
Interest cost	538	384
Employee contributions	473	377
Actuarial (gain)/loss	847	(3,143)
Benefits paid	(394)	(146)
Past service cost	16	-
Plan introductions, benefit changes, curtailments and settlements	4,944	8,538
At 31 August	27,741	18,999

Bradford Diocesan Academies Trust

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

23 Pension and similar obligations (continued)

Changes in the fair value of trust's share of scheme assets:	2017/18	2016/17
	£000	£000
At 1 September	14,673	6,443
Interest income	424	246
Actuarial gain/(loss)	600	1,319
Employer contributions	1,181	888
Employee contributions	473	377
Benefits paid	(394)	(146)
Plan introductions, benefit changes, curtailments and settlements	3,324	5,546
At 31 August	20,281	14,673

Bradford Diocesan Academies Trust

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

24 Related Party Transactions

Owing to the nature of the trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and the 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.

The Trust is related to Leeds Diocesan Board of Finance which is the administrative charity company of the Diocese of Leeds. The Diocesan Board of Education is a statutory committee of the Diocese of Leeds. During the period the following transactions took place between the trust and this related party:

The Trust provided a consultation service to the Diocesan Board of Education (1). This was to give professional advice in setting up a new Trust. The professional fees provided were at cost.

		2017/18	2016/17
		£000	£000
1 - Professional Fees /Salary Recharge	(Income)	106	36
2 - Supply Cover	(Expense)	308	80
3 - Diocesan SLA's	(Expense)	3	1

1 - There is a cross Trust relationship with the Dales Academies Trust. The CEO of the Dales Academies Trust is employed by the Trust and recharged to the Dales Academies Trust. The Trust provides at cost services for due diligence during conversion. The income in 2017 - 2018 is £106k (2017 - £36k).

2 - Mr S Emsley (a trustee) has declared an interest in a The Classroom Partnership who provide "supply cover" for staff. A benchmarking exercise has provided evidence that this service is of good value and a statement of service at cost has been provided by the supplier identifying indirect and direct costs. The costs in 2017 - 2018 is £308k (2017 - £80k)

3 - Leeds Diocese Board of Finance at the year end. The costs in 2017- 2018 is £3k (2017 - £1k). This was in relation to SLA's.

Bradford Diocesan Academies Trust

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

25 Events after the end of the reporting period

Three new academies have joined the Trust since 31 August 2018. These were Cullingworth Village Primary School on 1 September 2018 and two new academies Wycliffe Church of England Primary School and Shipley Church of England Primary Academy on the 1 November 2018.

Cullingworth Village Primary School closed with a surplus of £23k and has presented a balanced budget for next three years. Wycliffe Church of England Primary School and Shipley Church of England Primary School are both sponsored schools and will close with £nil and c£9k balance respectively. The budgets are being updated and are expected to be balanced following a budget review by the Trust staff and school.

Cullingworth Village Primary School and Wycliffe Church of England Primary School both have taken environmental loans through Salix to transfer to energy efficient lighting. Cullingworth Village Primary School was a community school and will transfer with a combined asset value of £3.5m.

The Trust is currently in consultation with employees in respect to updating terms and conditions of employment contracts to ensure cost savings and job security for example giving the Trust freedom to determine pay. This is due to finish, subject to further consultation, on the 14 November 2018.

The Trust is close to a resolution with the PFI academy contractor in respect to the utilities charge. The school and Trust have accrued funds to pay for the utilities and there is an expectation that the resolution will be completed during the 2018-19 financial year.

Bradford Diocesan Academies Trust

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

26 Central Services

The Trust has provided business and education services to its academies during the year including:

- | | |
|---|--|
| > External Audit | > Policy development and compliance management |
| > Internal Audit | > Health & Safety Audit |
| > Education Quality Assurance | > Risk Management Training & Support |
| > Payroll & Pension Services | > Primary Assessment & Data Management Tool |
| > Recruitment Support | > Apprenticeship Levy & Management |
| > Insurance | > Safeguarding Audit & Quality Assurance |
| > Head, Chair & Business Manager | > Academy Conversion Support including Project Management & TUPE |
| > Network Meetings & CPD | > Human Resource Management & Support |
| > Financial Systems & Licencing | > Professional Business Advice & Onsite Support |
| > Budget Management Software | > Governance Support and Clerking |
| > Finance Support including all consolidation of statutory accounts | > Procurement, Tendering & Capital Management |

The trust charges for these services as a 4.5% of GAG income. These services are reviewed at least annually to reflect school needs.

An additional 2% is charged for all schools that require specific school improvement, this is given back to the schools once a school development plan is provided.

The actual amounts charged during the year were as follows:

	2017/18	2016/17
	£000	£000
Academy At St James	65	70
Belle Vue Girls' Academy	287	260
Bradford Forster Academy	150	111
Buttershaw Business & Enterprise College Academy	537	511
Christ Church C of E Academy	42	43
Clayton St John C of E Primary Academy	91	-
East Morton C of E Primary School	32	-
Immanuel College	313	288
Oxenhope C of E Primary School	35	38
St Johns C of E Primary School	64	-
St Oswalds C of E Primary Academy	83	101
St Philips C of E Primary School	42	68
Westminster C of E Primary Academy	169	156
Woodlands C of E Primary Academy	3	-
	1,913	1,646

Bradford Diocesan Academies Trust

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

27 Agency Arrangements

The trust distributes 16-19 Bursary funds to students as an agent of the ESFA. In the accounting period the trust received 2018: £119k (2017: £120k) and distributed 2018: £133k. An amount of 2018: £49k (2017: £40k) has been carried forward into the 2019 figures, relating to undistributed bursary funds. These funds relate to:

	2017/18	2016/17
	£000	£000
Immanuel College	19	16
Belle Vue Girls' Academy	4	13
Buttershaw Business & Enterprise College Academy	26	11
	49	40

Bradford Diocesan Academies Trust

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

28 Conversion to Academy Status

On 1 October 2017 the Clayton St John Church of England Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bradford Diocesan Academies Trust from the Bradford Local Authority and the Diocese of Leeds for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
Other tangible fixed assets	-	-	104	104
Budget surplus on LA funds	73	-	-	73
Other surplus transfer	14			14
LGPS pension (deficit)	-	-	-	-
Net assets/(liabilities)	87	-	104	191

A deficit on the LGPS of £1,620k relating to the four converting schools was inherited at the point of conversion.

Bradford Diocesan Academies Trust

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

28 Conversion to Academy Status

On 1 October 2017 the East Morton Church of England Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bradford Diocesan Academies Trust from the Bradford Local Authority and the Diocese of Leeds for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted	Restricted	Restricted Fixed	Total
	Funds	General	Asset Funds	
	£000	Funds	£000	£000
		£000		
Tangible fixed assets				
· Other tangible fixed assets	-	-	172	172
Budget surplus on LA funds	6	-	-	6
Other surplus transfer	200			200
LGPS pension (deficit)	-	-	-	-
Net assets/(liabilities)	206	-	172	378

A deficit on the LGPS of £1,620k relating to the four converting schools was inherited at the point of conversion.

Bradford Diocesan Academies Trust

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

28 Conversion to Academy Status

On 1 November 2017 the St Johns Church of England Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bradford Diocesan Academies Trust from the Foundation Trustees and the Diocese of Leeds for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
· Other tangible fixed assets	-	-	41	41
Budget surplus on LA funds	106	-	-	106
Other surplus transfer	3			3
LGPS pension (deficit)	-	-	-	-
Net assets/(liabilities)	109	-	41	150

A deficit on the LGPS of £1,620k relating to the four converting schools was inherited at the point of conversion.

Bradford Diocesan Academies Trust

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

28 Conversion to Academy Status

On 1 August 2018 the Woodlands Church of England Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bradford Diocesan Academies Trust from the Bradford Local Authority and the Diocese of Leeds for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
· Other tangible fixed assets	-	-	-	-
Budget surplus on LA funds	2	-	-	2
LGPS pension (deficit)	-	-	-	-
Net assets/(liabilities)	2	-	-	2

A deficit on the LGPS of £1,620k relating to the four converting schools was inherited at the point of conversion.

Bradford Diocesan Academies Trust

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

29 Restated Statement of Financial Activities for the year ended 31 August 2017 (including Income and Expenditure Account)

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Restated Total 2017
	£000	£000	£000	£000
Income and endowments from:				
Donations and capital grants	1,655	(892)	20,968	21,731
Charitable activities:				
Funding for the trust's educational operations	-	39,342	-	39,342
Other trading activities	2,518	-	-	2,518
Investments	-	-	-	-
Total	4,173	38,450	20,968	63,591
Expenditure on:				
Charitable activities:				
Academy trust educational operations	311	45,138	1,027	46,476
Total	311	45,138	1,027	46,476
Net income / (expenditure)	3,862	(6,688)	19,941	17,115
Transfers between funds	(2,101)	2,101		-
Other recognised gains / (losses):				
Actuarial (losses) / gains on defined benefit pension schemes	-	4,462	-	4,462
Net movement in funds	1,761	(125)	19,941	21,577
Reconciliation of funds				
Total funds brought forward at 1 September 2016	1,013	(4,131)	15,776	12,658
Total funds carried forward	2,774	(4,256)	35,717	34,235