

**The Bishop Wheeler Catholic Academy
Trust**

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 August 2018





CONTENTS

	Page No
Reference and Administrative Details	2-3
Directors' Report	4-14
Governance Statement	15-18
Statement on Regularity, Propriety and Compliance	19
Statement of Directors' Responsibilities	20
Independent Auditors Report	21-23
Independent Reporting Accountants Assurance Report on Regularity	24-25
Statement of Financial Activities incorporating Income & Expenditure Account	26
Balance Sheet	27
Cash Flow Statement	28
Notes to the Financial Statements	29-59

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mgr Paul Fisher, from 17.01.17 Bishop Marcus Stock, from 13.11.14 Rev Timothy Swinglehurst, from 13.11.14
Principal Finance Officer	Giles Nightingale
Accounting Officer	Darren Beardsley (Member of Audit and Finance Committee)
Company Secretary	Anne Tindall

Directors	Christian Name	Surname	Start	End	Committee Membership
Principal	Alison	Ashworth	12.02.2013	29.11.2018	
Principal	Darren	Beardsley	01.09.2014	04.09.2019	Accounting Officer, Finance & Audit, Standards
Parent	Marie	Buxton	12.11.2014	26.11.2018	
Foundation	Edward	Diamond	06.05.2013		Chair, Audit Committee
Foundation	Diane	Gaskin	12.02.2013		Chair, Finance Committee, Vice Chair of Trust
Principal	Peter	Hughes	12.02.2013	05.12.2018	Standards
Foundation/Chair	Caroline	Hyde	12.02.2013		Chair of Trust
Foundation	Robert	Lavery	12.02.2013		Audit and Finance Committees
Principal	Alixena	Lubomski	12.02.2013	30.11.2018	
Foundation	Joseph	McDonnell	12.02.2013	25.03.2019	
Foundation	Janet	Sheehan	03.10.2017		Standards
Foundation	Elizabeth	McGuire	21.10.2014	21.01.2018	
Foundation	John	Carlisle	26.09.2016	01.09.2017	
Foundation	Natalie	Saunders	05.07.2019		
Foundation	Margaret	House	01.09.2019		
Foundation	Adam	Little	01.09.2019		

Senior Management Team:

- Principals
 - Darren Beardsley
 - Alison Ashworth
 - Peter Hughes
 - Diane Todd
 - Cecilia Knight
 - Alixena Lubomski
 - Clare Gardner
- Chief Operating Officer/
Principal Finance Officer
 - Giles Nightingale
- Head of Finance
 - Katie Campbell
- Head of HR
 - Amanda Whelan



REFERENCE AND ADMINISTRATIVE DETAILS

Principal and Registered Office	St Mary's Catholic Voluntary Academy The Bishop Wheeler Catholic Academy Trust Bradford Road Menston LS29 6AE
Company Registration Number	8399801
Independent Auditor	Saffery Champness LLP North Park Road Harrogate HG1 5RX
Bankers	Lloyds Bank 25 Gresham Street London EC2V 7HN
Solicitors	Schofield Sweeney 76 Wellington Street Leeds LS1 2AY

DIRECTORS' REPORT

Personal perspective from the Chair, Caroline Hyde

Our Catholic Multi Academy Trust has now been working together for more than five years to realise our vision of world class Catholic education. I am delighted with the way we are making progress towards that vision in so many areas, including:

- Continuing to support all our schools in raising their standards of education at a time of ever-rising expectations and demands, with particular success at Holy Name Primary School at Cookridge, which has recently been assessed by OFSTED as 'Good with Outstanding features', and also making progress at St Stephen's in Skipton;
- Developing the success of our Teaching School at St Mary's, Horsforth and St Mary's, Menston, which is training a growing number of entrants to the profession;
- Adding more members to our growing team of skilled National Leaders of Education and National Leaders of Governance;
- Continuing to expand the number of school places that we offer, at primary level in St Joseph's, Pudsey and at Key Stages 3 and 4 at St Mary's, Menston;
- Continuing to maintain and improve our teaching, pastoral, sports and play facilities across our schools in the last year;
- Supporting schools across the Diocese in providing excellent religious education, and also supporting development of the Diocese's other multi-academy trusts;
- Continuing to work closely together across all our schools in our subject, specialist and year group networks, led so effectively by our close-knit team of headteachers and heads of school.
- Embarking on the next stage of the Trust's strategy to realise the benefits of being a MAT by creating our central Shared Services team of finance, HR, procurement, payroll, estates and data protection professionals who are working to both maintain the Trust's compliance with legal standards and good practice and simultaneously increasing the value for money that we achieve in all these business areas.
- Working with other MATs and schools, within our Diocese and across our local area, to develop and share best practice.

What makes all this success possible is our shared ethos and commitment to providing the best possible Catholic education. I am very grateful for the selfless giving, teamwork, mutual support and daily practice of Christian values among our staff, school leaders and Trust Governors and Directors. The strong sense of 'family' they generate in the Trust is constantly demonstrated through their constant cooperation and mutual support in tackling the ever-growing challenges faced by the education sector.

It is in our shared understanding as a family of schools that we will find the strength to meet and overcome the challenges of providing the excellent Catholic education that our young people deserve, in order that they are able to fulfil their potential, whatever their background.

The longstanding close cooperation between our headteachers to raise and maintain standards of education and Catholic life in our schools is now being complemented by our Shared Service team of professional specialists under the leadership of our Chief Operating Officer. The team greatly strengthens our capability to share our administrative and financial resources across the Trust so that our teaching staff are enabled to continue providing the education that our students deserve. The priority of our whole Trust family for the new academic year continues to be to work ever more closely together to realise even more of the benefits of being a Catholic Multi Academy Trust. We will do this, as we have done for five years, through following Bishop Wheeler's motto and working together in 'Truth and Love'.

Caroline Hyde
Chair of the Trust

DIRECTORS' REPORT

The trustees present their annual report together with the financial statements and auditor's 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.

During the period the trust operated nine primary and one secondary academy in West and North Yorkshire. Its academies have a combined pupil capacity of 3,099 and had a roll of 3,044 in the school census in October 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee incorporated in England and Wales and an exempt charity. The charitable company's Memorandum and Articles of Association dated 13 February 2013 are the primary governing documents of the Academy Trust. The Directors of The Bishop Wheeler Catholic Academy Trust are also the Directors of the charitable company for the purposes of company law. The charitable company is known as The Bishop Wheeler Catholic Academy Trust.

The Bishop Wheeler Catholic Academy Trust is made up of ten academies:

St. Mary's Menston, a Catholic Voluntary Academy
St. Joseph's Catholic Primary School Otley, a Voluntary Academy
Ss. Peter and Paul Catholic Primary School, a Voluntary Academy
Sacred Heart Catholic Primary School, a Voluntary Academy
St. Mary's Horsforth Catholic Voluntary Academy
St. Joseph's Catholic Primary School Pudsey, a Voluntary Academy
St Mary's Catholic Primary School Knaresborough, a Voluntary Academy
St Joseph's Catholic Primary School Harrogate, a Voluntary Academy
Holy Name Catholic Voluntary Academy, Cookridge
St. Stephen's Catholic Primary School and Nursery, a Voluntary Academy Skipton

Members' liability

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

Directors' indemnities

Indemnity for the claims made against the Directors of the Academy Trust as a result of undertaking everyday authorised activities on behalf of the Academy Trust is in place at a level of £5,000,000 and is reviewed annually as part of the whole Trust review of insurances.

Method of recruitment and appointment or election of Directors

The Trust is currently in the process of amending its methods of recruiting and appointing or electing Directors, and its Articles of Association, to bring them into line with the requirements of the Academies Financial Handbook. However, during 2017-18 the method remained as follows:

- Foundation Directors (10): appointed by the Diocesan Bishop, following an application process throughout the Diocese and in particular within the Parishes which are served by the Academies within the Trust. Directors are selected in order to provide a broad range of skills and experience and be supportive of Catholic education within the Diocese. They must all be practising Catholics. The Foundation Directors shall always be two more than the total number of other Directors.

DIRECTORS' REPORT

- Parent Directors (2): elected by and from all the parent governors serving on all the Academy Councils, of all the Academies of the Trust, at the time of their election. There shall always be 2 Parent Directors for every 10 or fewer Academies.
- Principal Directors (4): elected by and from all the Principals of all the Academies within the Trust at the time of election. There shall always be at least one principal from a Secondary and one from a Primary Academy. Any Executive Principal shall be a Director as long as s/he remains in office.
- Staff Directors (2): elected by and from all the staff governors serving on all the Academy Councils of all the Academies of the Trust, at the time of their election. However, the Trust Board, now established, will determine the criteria for the election of future Staff Directors, as outlined in the Articles of Association.

The term of office for any Director is 4 years and, subject to remaining eligible as outlined above, Directors may be reappointed. Upon the resignation of any Director a replacement will be appointed or elected as outlined above.

Policies and procedures adopted for the induction and training of Directors

All Directors have access to, and are taking advantage of, training provided by both the Diocesan Education Office and Leeds and Bradford LAs. Directors are sharing experience and skills as a group and individually where appropriate. The Diocesan Director of Education provides advice and support. A targeted training programme and induction scheme is in place.

Organisational structure

The Trust Board is responsible for the strategic direction of the Trust and has overall responsibility for standards, finance and estates. The Trust has a Finance and Audit Committee to support this role, who normally meet jointly, but separately where appropriate. Sub committees for Standards and the consideration of Leadership Pay are also in place. The Trust is also the Admissions Authority and employer for all the Academies within the Trust. The executive leadership and direction is via the Headteachers' Group, which consists of all the Headteachers from all the Academies within the Trust. The Headteachers' Group meets every half term.

The Accounting Officer is the Headteacher of the secondary school.

The Trust is based upon the principles of Catholic Social Teaching, solidarity and subsidiarity, in which all parts of the Trust support each other and decision-making is delegated to the most appropriate level. Each Academy has an Academy Council consisting of foundation, parent and staff governors. The organisation of the Academy Councils and their relationship with the Trust Board are outlined in the "Scheme of Delegation". Each Academy Council has agreed and signed the scheme of delegation.

There is a shared central function for business management and services to schools and the Trust as a whole. All appointments, except Head and Deputy Headteachers, are made locally, with support from the central Trust office. Admissions policies and numbers are set by the Diocese in conjunction with the Trust, but administered locally. We are in the process of aligning all statutory policies throughout the Trust, in line with the Catholic Education Service.

Arrangements for setting pay and remuneration of key management personnel

The Trust has established a Pay Committee. The Trust Board is responsible for the appointment of Headteachers and Deputy Headteachers. Leadership pay and individual school ISR ranges in the individual academies is established by the Trust, through the Pay Committee. This ensures consistency across the Trust.

DIRECTORS' REPORT

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
3	2.7

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	3
1%-50%	0
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	£0
Total pay bill	£11,923
Percentage of total pay bill spent on facility time	0%

Connected organisations including related party relationships

The Bishop Wheeler Catholic Academy Trust, as laid out in the Articles of Association, complies with the Diocese of Leeds practices, 'upholding the tenets of the Catholic Church and all Catholic canon law applying including any trust deed governing the use of land used by an Academy both generally and in particular in relation to arranging for religious education and daily acts of worship and having regard to any advice and following directives issued by the Diocesan Bishop'. The Trust works closely with both the Diocesan Education Office and all Catholic schools and Academies within the Diocese. Each individual Academy within the Trust also works closely with our neighbouring schools and communities as well as with our 3 local Authorities: Leeds, Bradford and North Yorkshire.

Disability statement

The Trust considers all applications for employment from disabled persons, bearing in mind the aptitudes of the individuals concerned. The Catholic Education Service application form is used by all individual Academies and complies with the Equality Act 2010. A 'reasonable adjustment' statement is included in application packs. Where an existing employee becomes disabled, every effort is made to facilitate the continuance of their employment with the Trust. The Trust's policy is to provide training, career development and opportunities for promotion for employees with disabilities that are, as far as possible, identical to those for other employees. Each individual academy has an accessibility policy and plan.

Employee consultation/communication

The Trust has a regular system of staff briefings and internal communications via email, there are also meetings which include trade unions, HR and senior management teams to discuss employee consultation.

DIRECTORS' REPORT

OBJECTIVES AND ACTIVITIES

Objectives and Aims

The main objectives of the Academy, as outlined in the articles of association, are summarised below:

- To advance for the public benefit education in the United Kingdom, without prejudice, by establishing, maintaining, carrying on, managing and developing Catholic schools.
- Offer a broad and balanced curriculum, conducted in accordance with the principles, practices and tenets of the Catholic Church and all Canon law.
- To promote for the benefit of individuals living in the Diocese of Leeds and surrounding areas who have need the provision of facilities for recreation or other leisure time activities, with the object of improving the condition of life of the said individuals.

Objectives, strategies and activities

The Academy's main strategy is encompassed in its mission statement which is included below:

- The school communities of The Bishop Wheeler Catholic Academy Trust will work together in truth and love to provide the best possible opportunities for all our young people and their families.
- Our mission is the provision, development and future safeguarding of a World class Catholic Education where every child, member of staff and family matters.
- The schools, their governors and the trust directors will work together, based on the principles of solidarity and subsidiarity, in faithfulness and humility, to provide an education where Christ and His values of respect, service, tolerance, dignity and forgiveness are at the heart of everything we do.

This will be achieved by following our Trust development plan:

Objective	Progress / outcomes during the year
Excellence of curriculum provision: all Trust schools making good/outstanding progress	<ul style="list-style-type: none"> • Heads meet every half term to look at curriculum provision and share practice • Curriculum to be discussed as part of school reviews • Standards Committee established to ensure appropriate scrutiny and challenge
Excellent Catholic schools: all Trust schools judged good / outstanding by s48 inspection / Diocesan Review	<ul style="list-style-type: none"> • Ongoing school to school support; internal standards reviews to ensure standards remain good / outstanding and no school falls 'below the radar'
School to school support: within our Trust schools, other Catholic schools and our wider community	<ul style="list-style-type: none"> • Teaching School is an ongoing development, identifying and training key staff • Work is taking place to support other schools • Sponsorship status has been attained, enabling the Trust to be in a position to support failing schools and supporting schools through the process of conversion
Sustainable finance structure: to support all schools and the Trust as a whole	<ul style="list-style-type: none"> • Structure accommodates increased membership of the Trust including integration of central services - HR, property, finance • The Trust's recently-created Shared Services team are implementing a programme of Trust-wide efficiencies, in procurement, HR and estates management, raising income, and assisting each school to realise its own local efficiencies.

DIRECTORS' REPORT

Work towards best value in all expenditure, whilst maintaining our ethos and principles of solidarity subsidiarity	<ul style="list-style-type: none"> The Trust's management and Shared Services Team apply rigorous methods of continuous improvement and value management to continually seek out and realise successive layers of true efficiencies and avoid false economies, to provide assurance of value for money and gain the benefits of a multi-academy Trust.
Excellent HR / legal provision	<ul style="list-style-type: none"> No litigation claims
Improve buildings, facilities and capacity	<ul style="list-style-type: none"> Condition Improvement Fund (CIF) grant received. Capital Bids Panel continue to ensure funding allocated to support priorities across the Trust. The Trust is moving towards a rolling capital planning and allocation process that will provide more strategic use of capital resources and increased value for money.
Succession planning for staff, teachers, governors, directors and leaders	<ul style="list-style-type: none"> School to School Reviews taking place across all Key Stages and Subjects Training plan for aspiring leaders in place Executive Heads have been and are continuing to be developed Robust appraisal system for teachers in place
Develop the process and capacity to welcome other schools within our area to join the Trust	<ul style="list-style-type: none"> The current 10 schools are well established and the process for additional expansion is in place. The Trust is in discussion with 6 other diocesan schools about them joining the Trust, and is also supporting the growth of another small diocesan trust at cost.
Catholic ethos and spirituality	<ul style="list-style-type: none"> There is a very clear ethos and focus between all the schools of the Trust with Trust Masses and collective worship taking place Heads feedback progress on action plan from S48 inspection

Public benefit

The Academy Trust's Directors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission (on their website at Charities and Public Benefit) in exercising their power or duties. We have achieved this by following our main objectives:

- To advance for the public benefit education in the United Kingdom, without prejudice, by establishing, maintaining, carrying on, managing and developing Catholic schools.
- Offer a broad and balanced curriculum, conducted in accordance with the principles, practices and tenets of the Catholic Church and all Canon law.
- To promote for the benefit of individuals living in the Diocese of Leeds and surrounding areas who have need the provision of facilities for recreation or other leisure time activities, with the object of improving the condition of life of the said individuals.

DIRECTORS' REPORT

STRATEGIC REPORT

Achievements and Performance

Academy	Ofsted outcome	Section 48 outcome
St Mary's, Menston Catholic Voluntary Academy	Outstanding November 2014	Outstanding March 2014
St. Joseph's Catholic Primary School, Otley	Good November 2014	Outstanding June 2014
Ss Peter and Paul Catholic Primary School	Outstanding January 2015	Outstanding March 2015
Sacred Heart Catholic Primary School Ilkley	Outstanding February 2007	Outstanding March 2018
St Mary's Horsforth Catholic Voluntary Academy	Outstanding March 2013	Outstanding February 2018
St. Joseph's Catholic Primary School Pudsey	Good December 2014	Good March 2014
St Mary's Catholic Primary School Knaresborough	Good April 2018	Outstanding March 2017
St Joseph's Catholic Primary School Harrogate	Outstanding November 2009	Outstanding May 2015
Holy Name Catholic Voluntary Academy, Cookridge	Good June 2018	Good July 2015
St. Stephen's Catholic Primary School, Skipton	Requires Improvement May 2018	Good October 2018

Key performance indicators

The BWCAT schools work in close partnership to improve outcomes for all of its pupils. Comprehensive professional development and a sharing of good practice add to an already strong leadership and experienced teaching staff. Regular reviews of the curriculum and established working parties contribute to the success of the Trust.

Key Stage 1

Children within BWCAT on average perform above national expected standards in phonics; reading; writing and maths.

DIRECTORS' REPORT

Key Stage 1

Phonics: achieving expected standard Y1

2017-2018

84.8%

My Group	84.8%
National	82.5%
Outstanding	80.7%

Writing: working at expected standard

2017-2018

73.1%

My Group	73.1%
National	69.9%
Outstanding	70.1%

Reading: working at expected standard

2017-2018

81.5%

My Group	81.5%
National	75.4%
Outstanding	74.9%

Maths: working at expected standard

2017-2018

78.1%

My Group	78.1%
National	76.0%
Outstanding	74.8%

These figures show the percentage of students on roll who are achieving the expected standard in Y1 phonics screening across all primary schools in The Bishop Wheeler Catholic Academy Trust compared with the national average for mainstream primary schools. This data is based on the 2018 Y1 phonics screening.

KS1 Reading is up 0.3% over the previous three years; writing is up 6.2% over previous 3 years and maths is up 4.3% over previous three years.

Key Stage 2

We are pleased to report that the primary schools within BWCAT are performing above the national expected standard in reading, writing and maths combined, this is up 6.9% over the previous three years. BWCAT primaries are also above national in achieving the higher standard, up 4.3% over the previous 3 years. The average scaled scores of the primaries are also above national.

The **high school** demonstrated exceptional performance at GCSE and A-Level. Using information from the new accountability measures, St Mary's achieved a progress 8 score of +0.43 and an attainment 8 score of 55.97, against an indicative national average of 44.3. This demonstrates strong progress across all subjects within the curriculum, with the core subjects of English and Maths achieving particularly strong progress scores. A level results were also outstanding, with 55% of students achieving overall A*-B grades, with all students who applied to university securing a place of their choice.

When considering the performance of schools, as a Trust, we believe that it is important to take into account the opportunities offered to students to enable them to develop as people and the wider contribution that the Trust makes to the community. As well as having Teaching Schools at secondary and primary level, schools within the Trust have been recognised with a series of awards for the opportunities that they offer young people, for example; Leadership Academy Status, International School Award, Global Learning Lead School Status, Fairtrade School, Healthy School Status, Duke of Edinburgh Licensed Organisation and the Stephen Lawrence Education Standard. All schools within the Trust are also members of the John Paul the Second Foundation for Sport, using sport as an opportunity to develop virtues in young people.

Financial Review

The financial position in the period shows a deficit of £1,099,000 (2017: £489,000 deficit). Reduced ESFA funding has again been an issue plus increasing costs, however going forward we are hopeful that the National Funding Formula review will have a positive impact on our academies. All schools are required to approve a balanced budget. However, significant events may require a deficit plan.

The high school ended the year in a deficit position. This was due to difficulties in setting the budget as a result of uncertainties over funding and teacher pay rises. Also during the year, the academy has had difficulties in financial management which has had a negative impact on the budget. A deficit action plan is now in place with regular scrutiny at Trust level.

DIRECTORS' REPORT

One of our two sponsored academy converter schools, St Stephen's Skipton, continues to go through an extensive period of investment which has resulted in the deficit position increasing this financial year-end. The academy has submitted another deficit action plan to the Trust Board for the 2018-19 financial year. The Trust has put an Executive Headteacher in place at St Stephen's to add additional support to the school in a bid to raise standards and therefore raise pupil numbers. Pupil numbers are an ongoing concern at St Stephen's and the Trust continues to support the academy financially allowing the school to run in a deficit position. Future school need in the surrounding area of St Stephen's shows a positive increase in pupil numbers and the Local Authority have asked that we keep the school at its current capacity. Unfortunately, this has put a huge strain on the Trusts reserves and will continue to run in a deficit position for at least 2 more years.

The key sources of funding are the ESFA general annual grant, other government grants such as the Pupil Premium and the CIF capital allocation are received and are expended covering the need for which they are granted.

Other additional sources of income, such as catering, lettings, nursery and after school clubs are all expended delivering those specific services. If any of these services generate a surplus this is reinvested in teaching and learning in that particular academy.

Reserves Policy

The directors review the reserves levels annually. This review encompasses the nature of income and expenditure streams and the need to match income with commitments and the nature of reserves.

It is the Trust's policy not to carry deficits and where they have arisen to put in place actions to recover these in the next period where possible. It is the intention of the Directors that each Academy carries reserves of at least 5% of GAG. This is to ensure protection against both foreseen and unforeseen events which would place a strain on the day to day running of the Academy. Currently, this expectation is not possible to achieve due to national funding pressures and the need to support St Stephen's school as it improves its educational performance and increases its numbers of pupils and financial sustainability as a consequence. Any unrestricted surpluses above this are reinvested in restricted reserves for the purpose of education.

Excluding the pension scheme liability and fixed asset fund, the Academy funds carried forward as at 31 August 2018 are a deficit of £304,000 (2017: surplus £397,000).

The split between funds of the surplus is general restricted funds deficit £306,000 (2017: £77,000) and unrestricted funds £2 (2017: £320,000).

The fixed asset funds of £3,212,000 (2017: £3,160,000) are represented by fixed assets with a carrying value of £2,820,000 (2017: £2,792,000), plus additional funds of £393,000 (2017: £368,000) received for the MAT CIF grant, which is currently unspent.

The Trust's pension scheme liability at 31 August 2018 amounted to £3,397,000 (2017: £4,011,000). This liability does not have an immediate impact on cash flow, but may result in increased contributions in future years. Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that in the event of an academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education.

Investment policy

Investment decisions will be considered and authorised by the Finance Committee. A register of investments will be held as appropriate, ensuring social, environmental and ethical considerations are taken into account.

DIRECTORS' REPORT

Principle risks and uncertainties

The principle risks to the Trust and associated mitigation is summarised below:

- Decline in funding – any reduction in funding either based on a per pupil basis or in the total number of pupils would present the biggest risk to the Trust. This could result in an academy becoming unsustainable.

This risk is managed by continuing the Trusts stringent review of budgets and monthly management accounts to ensure funds are being spent correctly. It is also being managed through the Trust's Shared Services strategy which includes realising savings and additional income from economies of scale, sharing resources and marketing schools that have pupil places available.

- Cash flow – due to the pressures on budgets and two of our academies running in a deficit position cash flow could become an issue which would result in the Trust being unable to pay staff and suppliers.

This risk is managed by regular frequent cash flow monitoring and maintaining a single central bank account which ensures control over payments.

- Standards and competition – the Trust must maintain and continually improve standards across all our academies. With high competition from neighbouring schools, particularly for the high school, it is essential we keep standards high to ensure we are the school of choice in the area.

This risk is managed by the school-to-school support that is continually provided to all our academies. Trust directors and senior leadership work tirelessly together to ensure no academy is left behind.

Fundraising

The Trust relies on generous donations received during the year to enable our schools to invest in necessary equipment. Under the provisions of the Charities (Protection and Social Investment) Act 2016 the Trust ensures any fundraising is following the below practices:

- Requests are made to parents once a year on a voluntary basis, there is no obligation to make donations to the Trust.
- We do not work with any commercial participators/professional fundraisers; all fundraising is managed by our own staff.
- The Trust conforms to the recognised standards as detailed in the Act.
- We monitor any correspondence to parents to ensure there is no unreasonably intrusive or persistent fundraising approaches and undue pressure to donate during the period, and during the year there have been no complaints received about fundraising.

Going Concern

Given the financial performance and position of the Trust during the year of these accounts and in the post year-end period, the Board have taken action to address the financial risk faced in order to ensure that the Trust continues as a going concern. Details of these actions and the Board's conclusions are set out on page 27.

Plans for the future

The aim of the Trust in the near future is to continue to generate and seize opportunities to realise business benefits together as a Trust, while also increasing further our capability to achieve educational excellence.

DIRECTORS' REPORT

Our objectives are to achieve greater financial security through increasing income and reducing costs, whilst enabling headteachers and their staff to increase their focus on educational standards and the pastoral care of the young people in our schools.

The Trust will achieve this by the following activities:

- Full Trust financial review
- Continuing to pursue its Shared Services strategy of realising income increase from marketing and savings from economies of scale and professionalisation of specialist capabilities in finance, HR, procurement, estates management, payroll and data protection.
- Complete the strengthening of data protection arrangements to ensure full compliance with the GDPR.
- Continue to improve the efficiency of administrative processes locally in every part of the Trust and its schools to reduce costs, errors and frustrations.
- Develop and implement the next stage of the Trusts' strategy and development plan.
- Review governance arrangements across the Trust to reduce duplication of decision-making and burdens on governors.

The Trust continues to learn from its experience of schools working effectively together to support each other and is looking to deepen this mutual support, balancing the Catholic Social Teaching of *solidarity* and *subsidiarity*, in order to raise the Trusts performance still further..

Auditor

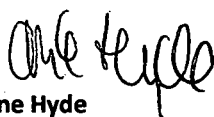
Saffery Champness LLP have expressed their willingness to continue in office.

Statement as to disclosure of information to the auditor

Insofar as the Directors are aware:

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

The Directors' Report and the Strategic Report (including therein) is approved by order of the Board of Directors at the Trust Board Meeting on 3 September 2019 and signed on its behalf by:


Caroline Hyde
Chair of the Trust

GOVERNANCE STATEMENT

Scope of responsibility

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

The Accounting Officer ensures financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Bishop Wheeler Catholic Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Board of Directors has formally met 4 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Director:	Meetings attended of possible
Alison Ashworth	3 of 4
Darren Beardsley	4 of 4
Marie Buxton	3 of 4
Edward Diamond	4 of 4
Diane Gaskin	4 of 4
Peter Hughes	3 of 4
Caroline Hyde	4 of 4
Robert Lavery	3 of 4
Alixena Lubomski	3 of 4
Joseph McDonnell	4 of 4
Elizabeth McGuire	1 of 2
Janet Sheehan	3 of 3

Finance and Audit Committees

Where needed, the Finance and Audit Committees meet separately as sub-committees of the main Board of Directors, where their roles and terms of reference are clearly defined. However, they are currently working as a joint committee.

Purpose of the Finance Committee:

- ensure strategic financial plans reflect the Trust's key objectives
- oversee financial planning and approve annual budgets, ensuring short term budgets are in line with agreed longer term plans
- ensure that proper accounts and records are maintained
- safeguard assets
- manage the Trust's investments
- ensure financial solvency is fulfilled
- prepare, monitor and review financial policies and recommend approval to the Board
- monitor the financial position through accurate and timely reports
- monitor and review best value for money principles
- review insurance policies annually

GOVERNANCE STATEMENT

Purpose of the Audit Committee:

- gain assurance that the Trust's risk management, control and governance arrangements are adequate and effective
- appoint and engage the external auditor and review remuneration and terms of engagement annually
- monitor the integrity of the financial statements, reviewing reporting judgments contained in them
- review the effectiveness of the systems of internal control through the internal audit function
- promote and secure co-ordination between the external and internal audit functions
- monitor the implementation of audit recommendations
- monitor and maintain the risk management plan (risk register).

Four meetings of the joint Finance and Audit Committees took place with attendance at the meetings as follows:

Directors:	meetings attended	out of a possible
Edward Diamond	4	4
Diane Gaskin	4	4
Caroline Hyde	1	4
Darren Beardsley	4	4
Robert Lavery	3	4

Review of value for money

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

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

- Review of business manager roles across the Trust – a shared business manager model has been trialled over the year, which has resulted in reduced administration costs and is a model that will be developed further in coming years.
- New telephone systems – four of our academies have installed new telephone systems during the year, after the initial investment this has resulted in reduced costs.
- High school capital works re sixth form café – the capital funds were used to renovate the sixth form common room and provide a new café. This has resulted in generation of valuable additional income for the high school.

GOVERNANCE STATEMENT

The purpose of the systems of internal control

The ongoing system of internal control supports the management of risk at a reasonable level. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Bishop Wheeler Catholic Academy 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 Directors has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks up to the date of approval of the annual report and financial statements. This process is reviewed regularly by the Audit Committee and reported back to the Trust Board.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors
- regular reviews by the Finance and Audit Committees 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
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Moorlands Learning Trust (MLT) as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included:

- High level controls audit
- Financial procedures handbook review
- Register of interest's review
- Expenditure approval review

During the year the first audit took place in July 2018 and the report was received in October 2018, there were no material control issues highlighted during the audit. Going forward on a quarterly basis, the auditor will report to the board of trustees, through the audit committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

GOVERNANCE STATEMENT

Review of effectiveness

Darren Beardsley has responsibility for reviewing the effectiveness of the system of internal control. The review has been informed by:

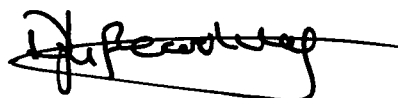
- the work of the internal auditors
- the work of the external auditor
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the finance and audit 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 Directors on 3 September 2019 and signed on its behalf by:



Caroline Hyde
Chair of Trust Board



Darren Beardsley
Accounting Officer

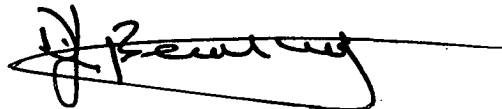
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Bishop Wheeler Catholic Academy Trust I have considered my responsibility to notify the Academy Trust Board of Directors and the Education Funding and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm the following instances of material irregularity, impropriety or finding non-compliance discovered to date have 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.

- In one instance the trust's procurement process had not been followed in full and three quotes has not been obtained for capital expenditure in excess of £10,000.



Darren Beardsley
Accounting Officer

Date: 3 September 2019

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The Directors (who act as governors of The Bishop Wheeler Catholic Academy Trust and are also the trustees of the charitable company for the purposes of company law) are responsible for preparing the Directors' Report (including Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors 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:

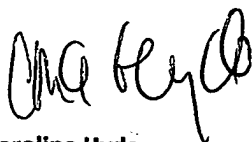
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Directors 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 Directors on 3 September 2019 and signed on its behalf by:



Caroline Hyde
Chair of Trust Board



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BISHOP WHEELER CATHOLIC ACADEMY TRUST YEAR ENDING ON 31 AUGUST 2018

Opinion

We have audited the financial statements of The Bishop Wheeler Catholic Academy Trust for the year ended 31 August 2018 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of 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.
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to the note to these financial statements on page 29 entitled 'Going Concern', which indicates that the Trust incurred a net deficit before actuarial gains of £1,099k during the year ended 31 August 2018 and, as of that date, had a cumulative deficit on free reserves of £304k. As stated in the note on page 29, these events along with other matters as set forth in this note, indicate conditions that exist that may cast significant doubt on the Trust's ability to continue as a going concern. Our opinion is not modified in respect of these matters.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BISHOP WHEELER CATHOLIC ACADEMY TRUST YEAR ENDING ON 31 AUGUST 2018

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' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 15, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BISHOP WHEELER CATHOLIC
ACADEMY TRUST YEAR ENDING ON 31 AUGUST 2018**

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

.....
Jonathan Davis
Senior Statutory Auditor
For and on behalf of

Saffery Champness LLP
Chartered Accountants
Statutory Auditors
Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

Date: 10/9/19

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
BISHOP WHEELER CATHOLIC ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 6 September 2018 and further to the requirements of the Education and 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 The Bishop Wheeler Catholic Academy 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 The Bishop Wheeler Catholic Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Bishop Wheeler Catholic Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Bishop Wheeler Catholic Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Bishop Wheeler Catholic Academy Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The Bishop Wheeler Catholic Academy Trust's funding agreement with the Secretary of State for Education dated 1 September 2011 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.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
BISHOP WHEELER CATHOLIC ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

The work undertaken to draw to our conclusion includes:

- Risk based sample testing on income and expenditure
- Review of the systems and internal controls in place
- Making appropriate enquiries of the Accounting Officer

Conclusion

In the course of our work, except for the matters 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.

- In one instance the trust's procurement process had not been followed in full and three quotes has not been obtained for capital expenditure in excess of £10,000.



Jonathan Davis
Senior Statutory Auditor

For and on behalf of

Saffery Champness LLP
Chartered Accountants
Statutory Auditors
Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

10/9/19.

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
for the year ended 31 August 2018

		Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2018 £000	Total 2017 £000
INCOME						
Donations and capital grants	1	106	-	526	632	842
Transfer from local authority on conversion						
Charitable activities:						
Funding for academy trust's educational operations	2	1,016	13,656	-	14,672	15,154
Other trading activities	3	215	-	-	215	347
Investments	4	1	-	-	1	1
TOTAL		1,338	13,656	526	15,520	16,344
EXPENDITURE						
Raising funds	5	15	-	-	15	71
Charitable activities:						
Academy trust educational operations	6	1,240	15,191	173	16,604	16,762
Other – trf from local authority on conversion		-	-	-	-	-
TOTAL		1,255	15,191	173	16,619	16,833
NET INCOME/(EXPENDITURE)		83	(1,535)	353	(1,099)	(489)
Transfers between funds		(401)	702	(301)	-	-
OTHER RECOGNISED GAINS/(LOSSES)						
Actuarial (losses)/gains on defined benefit schemes	20	-	1,064	-	1,064	2,452
NET MOVEMENT IN FUNDS		(318)	231	52	(35)	1,963
RECONCILIATION OF FUNDS						
Total funds brought forward		320	(3,934)	3,160	(454)	(2,417)
Total funds carried forward		2	(3,703)	3,212	(489)	(454)

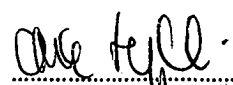
BALANCE SHEET

31 August 2018

Company Registration No. 8399801

	Notes	2018	2017
		£000	£000
FIXED ASSETS			
Tangible assets	11	2,820	2,792
CURRENT ASSETS			
Debtors	12	493	510
Cash at bank and in hand		682	1,342
		<u>1,175</u>	<u>1,852</u>
CREDITORS: Amounts falling due within one year	13	<u>(1,087)</u>	<u>(1,087)</u>
NET CURRENT ASSETS		<u>88</u>	<u>765</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,908</u>	<u>3,557</u>
Pension scheme liability	20	<u>(3,397)</u>	<u>(4,011)</u>
NET LIABILITIES INCLUDING PENSION LIABILITY		<u>(489)</u>	<u>(454)</u>
FUNDS OF THE ACADEMY TRUST:			
RESTRICTED FUNDS			
Fixed asset fund	14	3,212	3,160
General fund	14	<u>(306)</u>	<u>77</u>
Restricted funds excluding pension reserve		<u>2,906</u>	<u>3,237</u>
Pension reserve	14	<u>(3,397)</u>	<u>(4,011)</u>
TOTAL RESTRICTED FUNDS		<u>(491)</u>	<u>(774)</u>
TOTAL UNRESTRICTED INCOME FUNDS	14	<u>2</u>	<u>320</u>
TOTAL FUNDS		<u>(489)</u>	<u>(454)</u>

The financial statements on pages 26 to 59 were approved by the trustees and authorised for issue on 3 September 2019, and are signed on their behalf by:


.....
Caroline Hyde
Chair of Trust Board



STATEMENT OF CASH FLOWS
for the year ended 31 August 2018

	Notes	2018	2017
		£000	£000
CASH FLOWS FROM OPERATING ACTIVITIES	16	(460)	289
Cash flows from investing activities	17	(200)	(284)
Cash transferred on conversion to an academy trust		-	-
(DECREASE)/INCREASE IN CASH IN THE PERIOD		<u>(660)</u>	<u>5</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
NET FUNDS AT 1 SEPTEMBER		1,342	1,337
(Decrease)/Increase in cash in the period	18	<u>(660)</u>	<u>5</u>
NET FUNDS AT 31 AUGUST		<u>682</u>	<u>1,342</u>

All of the cash flows are derived from continuing operations and acquisitions in the year.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2018**

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Bishop Wheeler Catholic Academy Trust meets the definition of a public benefit entity under FRS 102.

Going concern

Although a financial deficit was recorded in the year to 31 August 2018, these financial statements continue to be prepared on a going concern basis.

These accounts reflect the impact of three significant financial issues faced by the Trust in 2017-18:

- cumulative and in-year deficits at one of the Trust's primary schools, due to reduced income from low pupil numbers, the necessary financial investment in raising standards at the school, and unfunded costs of supporting a large number of children with complex special educational needs;
- some unanticipated and unbudgeted overspends in two other Trust schools at the end of the financial year;
- low levels of per pupil funding faced by schools in this Trust due to its geographical location and the socio-economic circumstances of the population it serves.

These factors generated an in-year net deficit before actuarial gains of £1,099,000, a cumulative deficit on free reserves £304,000 and a decrease in cash of £660,000.

Cash flow forecasts prepared by the Trust during 2018 showed that the Trust would have a monthly, recurring cash shortage from March 2019. The Directors immediately took decisive action in response to safeguard the financial position of the Trust, proactively engaging with the Regional School Commissioner's office and the ESFA. The Trust worked closely with the ESFA to put in place a strategic recovery plan and short term financial support package from 25 July 2019 to address the financial issues.

Since the Trust began working with the ESFA the Board have taken significant and prompt action to improve the cost efficiencies and the overall financial position of the Trust. This has included rigorous use of the recommended Integrated Curriculum Financial Planning tool, strengthening its financial controls and continuing its programme of centralisation of financial management.

Furthermore, the Board have prepared detailed and sensitised weekly cashflow forecasts for the next 12 months which show an improved financial position and long-term sustainability of the Trust (including repayment of monies advanced by the ESFA from September 2019), despite the continued funding pressures and risks facing the Trust and the education sector in general.

For these reasons, the Board continue to adopt the going concern basis of accounting in preparing the financial statements of The Bishop Wheeler Catholic Academy Trust. The financial statements do not include the adjustments which would result if the Trust was unable to continue as a going concern.

Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. The constraints placed on income received will

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2018**

determine whether or not the income is restricted or unrestricted. Unrestricted income can be used for any purpose directed by the Directors in accordance with the objects of the Trust.

Grants receivable

Grant income is 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.

The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities to the extent of the entitlement of the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

Capital grants are recognised as voluntary income on a receivable basis to the extent there is entitlement.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income

Other income, including from the hire of facilities, will be recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Donated services and gifts in kind

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'.

Resources expended

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.

- **Charitable Activities**

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

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2018**

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Groups of assets costing £5,000 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/reducing balance basis over its expected useful life, a full year of depreciation is charged in the year of acquisition:

- long leasehold buildings – over the life of the asset
- leasehold land and buildings – 125 years
- fixtures, fittings and equipment – 20% straight line
- ICT equipment – 25% straight line
- Motor vehicles – 25% reducing balance

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

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

Disposal of assets

Up to £500 – authorised by Headteacher

Over £500 – authorised by Academy Council Finance sub-committees

Asset disposal forms will be signed and retained by the Finance Officer.

Security of assets

Budget holders are responsible for the care, custody and security of the stock and equipment under their control. They will consult the Finance Director when they consider additional security arrangements may be needed. Assets shall not be subject to personal use without authorisation.

Land and buildings occupied under licence

Land and buildings owned by The Diocese of Leeds: The academy trust company occupies the land (and buildings) under a mere licence. This continuing permission of use is pursuant to, and subject to, the Trustees' charitable objects, and is part of the Catholic Church's contribution since 1847 to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land (and buildings) to the academy trust company for the time being, but does not vest any rights over the land in the academy trust company. The Diocese of Leeds can terminate this agreement, with Secretary of State approval, with two years

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2018**

notice, requiring the academy to find new premises. All Diocese of Leeds land and buildings are therefore not included on the academy trusts balance sheet as a tangible fixed asset.

Improvements to Land and buildings occupied under licence

Any improvements made to Diocesan owned land and buildings costing £5,000 or more that are funded by the academy trust, either by direct capital grants from the government or as part of the academy trusts maintenance programme, will be included as leasehold improvements within the balance sheet and treated as a tangible fixed asset. These leasehold improvements will be depreciated over their expected useful economic life. These assets will be assessed for impairment annually in light of the licence arrangement.

Leased Assets

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

Recognition of liabilities and other provisions

Liabilities are recognised when a legal or constructive obligation arises as a result of a past event.

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2018**

The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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 governors.

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

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency.

Transfers between funds are made where allowable and appropriate.

Agency arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the ESFA. Related payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. Where funds have not been fully applied in the year then an amount will be included as amounts due to ESFA.

Treasury management policy

Treasury management is defined by the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Code of Practice for Treasury Management in the Public Services as the management of the Academy's cash flows, banking, money market and capital market transactions; the effective management of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

The objectives of treasury management are:

- a) to provide a means by which the Academy can meet its commitments;
- b) to ensure that sufficient sums are available at short or no notice to meet foreseeable requirements;
- c) to earn an acceptable rate of return on surplus funds without undue risk; and
- d) to spread risk between differing types of investment and institutions.

1. Responsibility

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2018

The Accounting Officer has overall responsibility for the security and management of funds. The day to day management of the treasury function is controlled by the Finance Director.

2. Borrowing of funds

Academies are not permitted to borrow without prior permission of the Secretary of State.

3. Investment of funds

A return on working capital should be optimised whilst allowing easy access of the funds. **In balancing risk against return the Academy policy is clearly geared towards avoiding risk than to maximising return.**

Monies surplus to the working requirements shall be invested in an account in the name of the Trust with approved institutions authorised by the Trust.

The Trust will not take out any long term investments until a reliable cash flow pattern has been established. Monies will only be paid into approved bank deposit accounts allowing access to funds within a term not exceeding three months.

The Trustees will ensure that the Trust maintains sufficient reserves to meet unexpected expenditure.

4. Register of investments

The Finance Director will maintain a register of all deposits/investments held which will record:

- institution with which the deposit was made
- date deposit was placed
- amount deposited
- date of maturity
- amount returned
- interest earned
- rate of interest obtained
- authorisation for the transaction

5. Credit risk

Credit risk will be minimised by ensuring that funds are spread across a range of institutions as appropriate. The limits of funds invested with approved institutions will be approved at least annually by the Trust Board and more frequently subject to market conditions.

6. Cash flow forecasts

The Finance Director and Group Accountant will prepare and present an annual monthly cash flow statement to the Trust Finance Sub Committee at the beginning of each academic year in order to highlight expected cash balances throughout the year that may be invested and give early warning of any need to seek approval to borrow. They will then subsequently maintain a rolling 12 month forecast.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2018**

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 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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

Currently there are no critical judgements to disclose, other than the exclusion of diocesan owned land and buildings as detailed in note 11

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2018

1 DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total 2018 Total £000	Total 2017 Total £000
DfE/ ESFA capital grant for building	-	-	526	526	748
Big Lottery Fund	-	-	-	-	9
Other donations	106	-	-	106	85
	<u>106</u>	<u>-</u>	<u>526</u>	<u>632</u>	<u>842</u>
2017 total	<u>85</u>	<u>9</u>	<u>748</u>	<u>842</u>	

2 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
DfE/ ESFA REVENUE GRANTS:				
General Annual Grant	-	11,961	11,961	12,254
Other DfE/ ESFA grants	-	1,003	1,003	1,009
Start up grants	-	-	-	-
Other income:				
Other government grants	-	501	501	636
Catering income	512	-	512	517
Trip income	335	-	335	402
Hire of facilities	106	-	106	98
Other income	63	191	254	238
	<u>1,016</u>	<u>13,656</u>	<u>14,672</u>	<u>15,154</u>
2017 total	<u>1,083</u>	<u>14,071</u>	<u>15,154</u>	

NOTES TO THE FINANCIAL STATEMENTS (*continued*)
 for the year ended 31 August 2018

3 OTHER TRADING ACTIVITIES

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Income from recharge of services	28	-	28	57
Extended services	187	-	187	290
Other income	-	-	-	-
	<u>215</u>	<u>-</u>	<u>215</u>	<u>347</u>
Total 2017	<u>347</u>	<u>-</u>	<u>347</u>	

4 INVESTMENT INCOME

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Short term deposits	1	-	1	1
	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>
Total 2017	<u>1</u>	<u>-</u>	<u>1</u>	

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 August 2018

5 EXPENDITURE

	Staff Costs	Premises Costs	Other Costs	Total 2018	Total 2017
	£000	£000	£000	£000	£000
Expenditure on raising funds	-	15	-	15	71
Academy's educational operations:					
Direct costs	9,975	173	714	10,862	10,812
Allocated support costs	2,429	721	2,592	5,742	5,950
	<u>12,404</u>	<u>909</u>	<u>3,306</u>	<u>16,619</u>	<u>16,833</u>

The total expenditure was £16,619,000 (2017: £16,833,000) of which £1,255,000 was unrestricted (2017: £1,351,000), £15,191,000 was restricted (2017: £15,335,000) and £173,000 restricted fixed asset (2017: £147,000).

	Total 2018 £000	Total 2017 £000
Net (outgoing)/incoming resources for the period are stated after charging:		
Operating leases:		
plant and machinery	22	48
Depreciation	173	147
Fees payable to auditor:		
audit	24	24
other services	6	4



NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2018

6 CHARITABLE ACTIVITIES

	Total 2018	Total 2017
	£000	£000
Direct costs – educational operations	10,862	10,812
Support costs – educational operations	5,742	5,950
	<u>16,604</u>	<u>16,762</u>
ANALYSIS OF SUPPORT COSTS		
Support staff costs	2,429	2,480
Technology	173	157
Recruitment and support	25	33
Maintenance of premises and equipment	721	827
Cleaning	106	88
Rent and rates	125	107
Energy costs	174	230
Insurance	164	143
Security and transport	36	46
Catering	689	681
Bank interest and charges	11	14
Pension finance cost	131	166
Other support costs	305	318
Trip expenditure	334	416
Governance costs	319	244
Total support costs	<u>5,742</u>	<u>5,950</u>

The Charitable Activities expenditure was £16,604,000 (2017: £16,762,000) of which £1,240,000 was unrestricted (2017: £1,280,000), £15,191,000 was restricted (2017: £15,335,000) and £173,000 restricted fixed asset (2017: £147,000).

NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2018

7 STAFF

	Total 2018	Total 2017
a. Staff costs	£000	£000
Staff costs during the period were:		
Wages and salaries	9,233	9,395
Social security costs	755	787
Pension costs	1,853	1,996
Apprenticeship levy	32	13
	<u>11,873</u>	<u>12,191</u>
Supply staff costs	481	324
Staff restructuring costs (redundancy)	50	18
	<u>12,404</u>	<u>12,533</u>

b. Non statutory/non-contractual staff severance payments

During the year there were no non-statutory/non-contractual staff severance payments.

c. Staff numbers

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

	2018 No	2017 No
Teachers	191	172
Administration and support	238	273
Management	15	15
	<u>444</u>	<u>460</u>

d. Higher paid staff

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

	2018 No	2017 No
£60,000 - £70,000	9	7
£80,001 - £90,000	1	2
£90,001 - £100,000	1	-
	<u>11</u>	<u>9</u>

NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2018

7 STAFF (*continued*)
e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 2-3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £767,618 (2017: £791,832).

8 CENTRAL SERVICES

The Bishop Wheeler Catholic Academy Trust has provided the following central services to its academies during the year:

- Human resources
- Financial services
- Legal services
- Educational support services
- Other as arising

The Bishop Wheeler Catholic Academy Trust charges for these services on the following basis:

- 3% General Annual Grant

The actual amounts charged during the year were as follows:

	2018 £000	2017 £000
Sacred Heart Catholic Primary School Ilkley, a Voluntary Academy	23	24
St Joseph's Catholic Primary School Pudsey, a Voluntary Academy	27	25
St Joseph's Catholic Primary School Otley, a Voluntary Academy	22	23
St Mary's Horsforth Catholic Voluntary Academy	23	24
St Mary's Menston, a Catholic Voluntary Academy	156	163
Ss Peter and Paul Catholic Primary School, a Voluntary Academy	23	22
St Mary's Catholic Primary School Knaresborough, a Voluntary Academy	21	22
St Joseph's Catholic Primary School Harrogate, a Voluntary Academy	23	23
Holy Name Catholic Voluntary Academy, Cookridge	23	22
St Stephen's Catholic Primary School, Skipton	18	18
	<u>359</u>	<u>366</u>

NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2018

9 TRUSTEES' REMUNERATION AND EXPENSES

Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment and not in respect of their services as trustees. Other trustees did not receive any payments from the Academy Trust in respect of their role as trustees.

D Beardsley (Principal and Accounting Officer)

Remuneration £90,000 - £95,000 (2017: £85,000-£90,000)

Employer's pension contributions paid £15,000 - £20,000 (2017: £10,000 - £15,000)

A Ashworth (Principal and Trustee)

Remuneration £65,000 - £70,000 (2017: £65,000-£70,000)

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

P Hughes (Principal and Trustee)

Remuneration £85,000 - £90,000 (2017: £85,000-£90,000)

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

A Lubomski (Principal and Trustee)

Remuneration £65,000 - £70,000 (2017: £65,000-£70,000)

Employer's pension contributions paid £10,000 - £15,000 (2017: £0)

During the year ended 31 August 2018, travel and subsistence expended totalling £1,416 was reimbursed or paid directly to 3 trustees (2017: £969 to 3 trustees)

Other related party transactions involving the trustees are set out in note 21.

The highest paid trustee received remuneration of £93,020 (2017 £89,874)

10 TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £6,280 (2017: £6,280).

The cost of this insurance is included in the total insurance cost.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2018

11 FIXED ASSETS

	Land and Buildings £000	ICT Equipment £000	Fixtures, Fittings & Equipment £000	Motor Vehicle £000	Total £000
Cost:					
1 September 2017	2,757	164	170	23	3,114
Additions	92	84	25	-	201
Disposals	-	-	-	-	-
31 August 2018	2,849	248	195	23	3,315
Depreciation:					
1 September 2017	169	82	59	12	322
Charged in the year	70	59	38	6	173
Disposal	-	-	-	-	-
31 August 2018	239	141	97	18	495
Net book value:					
31 August 2017	2,588	82	111	11	2,792
Net book value:					
31 August 2018	2,610	107	98	5	2,820

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

- Leasehold improvements to create classroom space at St Mary's Catholic Primary School, Knaresborough, at a cost of £91,593.
- Diocesan owned land and buildings are occupied under a mere licence which is terminable by giving two years notice. The majority of the risks and rewards of ownership remain with the diocese. Given the nature of the mere licence the land and buildings has more characteristics of a rolling short term lease with a two year notice period of termination. Under FRS 102 current guidance this would be treated as an operating lease rather than a finance lease therefore not included as a tangible fixed asset

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 August 2018

12	DEBTORS	2018	2017
		£000	£000
	Trade debtors	18	18
	Other debtors	5	-
	VAT recoverable	107	118
	Prepayments and accrued income	363	374
		<u>493</u>	<u>510</u>
13	CREDITORS	2018	2017
		£000	£000
	Trade creditors	467	454
	Other creditors	37	13
	Accruals and deferred income	378	416
	Other tax and social security	205	204
		<u>1,087</u>	<u>1,087</u>
	DEFERRED INCOME	2018	2017
		£000	£000
	Deferred income at 1 September 2017	206	180
	Resources deferred in the year	231	206
	Amounts released from previous years	(206)	(180)
	Deferred income at 31 August 2018	<u>231</u>	<u>206</u>

At the Balance Sheet date the Academy Trust was holding funds received in advance for Key Stage 1 Universal Free School Meals, ESFA Rates Relief, Out of School Club fees and Trips fees all paid in advance.

NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2018

14 FUNDS

	At 1 September 2017 £000	Incoming resources £000	Resources expended £000	Gains, losses and transfers £000	At 31 August 2018 £000
RESTRICTED GENERAL FUNDS					
General Annual Grant (GAG) (excluding pension reserve)	-	11,961	(11,961)	-	-
Other DfE/ ESFA grants	77	1,504	(1,581)	-	-
Other income	-	191	(1,199)	702	(306)
Pension reserve	(4,011)	-	(450)	1,064	(3,397)
	<u>(3,934)</u>	<u>13,656</u>	<u>(15,191)</u>	<u>1,766</u>	<u>(3,703)</u>
RESTRICTED FIXED ASSET FUNDS					
DfE / ESFA capital grants	1,249	526	(77)	(301)	1,397
Capital expenditure from GAG and Other Income	119	-	(81)	-	38
Assets transferred on conversion	1,792	-	(15)	-	1,777
	<u>3,160</u>	<u>526</u>	<u>(173)</u>	<u>(301)</u>	<u>3,212</u>
TOTAL RESTRICTED FUNDS	<u>(774)</u>	<u>14,182</u>	<u>(15,364)</u>	<u>1,465</u>	<u>(491)</u>
UNRESTRICTED FUNDS					
Unrestricted funds	320	1,338	(1,255)	(401)	2
TOTAL UNRESTRICTED FUNDS	<u>320</u>	<u>1,338</u>	<u>(1,255)</u>	<u>(401)</u>	<u>2</u>
TOTAL FUNDS	<u>(454)</u>	<u>15,520</u>	<u>(16,619)</u>	<u>1,064</u>	<u>(489)</u>

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

Restricted general funds have been spent in line with the terms of the Master Funding Agreement. Restricted fixed asset funds are used solely for capital purchases in line with the strategic objectives of The Bishop Wheeler Catholic Academy Trust.

The restricted pension fund is in deficit to the value of £3,397,000 as at 31 August 2018, which is in excess of the unrestricted funds. However this deficit has been inherited upon conversion to Academy status. The governors will continue to monitor this situation closely.

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

Transfers between funds - £401,000 was transferred from unrestricted and £301,000 transferred from restricted fixed asset funds to restricted funds, these transfers relate to capital maintenance projects paid for via restricted funds funded by capital grants and unrestricted funds.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 August 2018

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

FUNDS

	At 1 September 2016 £000	Incoming resources £000	Resources expended £000	Gains, losses and transfers £000	At 31 August 2017 £000
RESTRICTED GENERAL FUNDS					
General Annual Grant (GAG) (excluding pension reserve)	-	12,254	(12,254)	-	-
Other DfE/ ESFA grants	237	1,645	(1,805)	-	77
Other income	-	181	(642)	461	-
Pension reserve	(5,829)	-	(634)	2,452	(4,011)
	<u>(5,592)</u>	<u>14,080</u>	<u>(15,335)</u>	<u>2,913</u>	<u>(3,934)</u>
RESTRICTED FIXED ASSET FUNDS					
DfE / ESFA capital grants	742	748	(56)	(185)	1,249
Capital expenditure from GAG and Other Income	195	-	(76)	-	119
Assets transferred on conversion	1,807	-	(15)	-	1,792
	<u>2,744</u>	<u>748</u>	<u>(147)</u>	<u>(185)</u>	<u>3,160</u>
TOTAL RESTRICTED FUNDS	<u>(2,848)</u>	<u>14,828</u>	<u>(15,482)</u>	<u>2,728</u>	<u>(774)</u>
UNRESTRICTED FUNDS					
Unrestricted funds	431	1,516	(1,351)	(276)	320
TOTAL UNRESTRICTED FUNDS	<u>431</u>	<u>1,516</u>	<u>(1,351)</u>	<u>(276)</u>	<u>320</u>
TOTAL FUNDS	<u>(2,417)</u>	<u>16,344</u>	<u>(16,833)</u>	<u>2,452</u>	<u>(454)</u>

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 August 2018

Current year 12 months and prior year 12 months combined position is as follows:

FUNDS

	At 1 September 2016 £000	Incoming resources £000	Resources expended £000	Gains, losses and transfers £000	At 31 August 2018 £000
RESTRICTED GENERAL FUNDS					
General Annual Grant (GAG) (excluding pension reserve)	-	24,215	(24,215)	-	-
Other DfE/ ESFA grants	237	3,149	(3,386)	-	-
Other income	-	372	(1,841)	1,163	(306)
Pension reserve	(5,829)	-	(1,084)	3,516	(3,397)
	<u>(5,592)</u>	<u>27,736</u>	<u>(30,526)</u>	<u>4,679</u>	<u>(3,703)</u>
RESTRICTED FIXED ASSET FUNDS					
DfE / ESFA capital grants	742	1,274	(133)	(486)	1,397
Capital expenditure from GAG and Other Income	195	-	(157)	-	38
Assets transferred on conversion	1,807	-	(30)	-	1,777
	<u>2,744</u>	<u>1,274</u>	<u>(320)</u>	<u>(486)</u>	<u>3,212</u>
TOTAL RESTRICTED FUNDS	<u>(2,848)</u>	<u>29,010</u>	<u>(30,846)</u>	<u>4,193</u>	<u>(491)</u>
UNRESTRICTED FUNDS					
Unrestricted funds	431	2,854	(2,606)	(677)	2
TOTAL UNRESTRICTED FUNDS	<u>431</u>	<u>2,854</u>	<u>(2,606)</u>	<u>(677)</u>	<u>2</u>
TOTAL FUNDS	<u>(2,417)</u>	<u>31,864</u>	<u>(33,452)</u>	<u>3,516</u>	<u>(489)</u>

NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2018

14 FUNDS (continued)

The funds attributable to each academy within the Academy Trust as at 31 August 2018 are as follows:

	Total 2018 £000	Total 2017 £000
St. Mary's Menston, a Catholic Voluntary Academy	(273)	(25)
St. Joseph's Catholic Primary School Otley, a Voluntary Academy	61	56
Ss Peter and Paul Catholic Primary School, a Voluntary Academy	166	148
Sacred Heart Catholic Primary School Ilkley, a Voluntary Academy	108	112
St. Mary's Horsforth Catholic Voluntary Academy	95	77
St. Joseph's Catholic Primary School Pudsey, a Voluntary Academy	65	67
St. Mary's Catholic Primary School Knaresborough, a Voluntary Academy	79	134
St. Joseph's Catholic Primary School Harrogate, a Voluntary Academy	58	41
Holy Name Catholic Voluntary Academy	(100)	(84)
St. Stephen's Catholic Primary School, a Voluntary Academy	(308)	(87)
Trust	(255)	(42)
Total before fixed assets and pension reserve	(304)	397
Restricted fixed asset fund	3,212	3,160
Pension reserve	(3,397)	(4,011)
Total	(489)	(454)

NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2018

14 FUNDS (*continued*)

The deficit on the Trust funds represents costs paid centrally. During the period the Academies within the Academy Trust spent the following on teaching and support staff, other support staff, educational supplies and other costs:

Analysis of Academies by cost

	Teaching & Support Staff £000	Other Support Staff £000	Educational Supplies £000	Other Costs (excluding depreciation) £000	Total 2018 £000	Total 2017 £000
Trust	24	706	5	673	1,408	887
St. Mary's Menston, a Catholic Voluntary	4,367	694	101	1,186	6,348	6,661
St. Joseph's Catholic Primary School Pudsey, a Voluntary Academy	765	312	18	203	1,298	1,362
St. Mary's Horsforth Catholic Voluntary Academy	649	85	13	209	956	1,081
Ss Peter and Paul Catholic Primary School, a Voluntary Academy	575	83	18	210	886	943
St. Joseph's Catholic Primary School Otley, a Voluntary Academy	540	79	8	229	856	962
Sacred Heart Catholic Primary School Ilkley, a Voluntary Academy	599	138	13	216	966	1,035
St. Mary's Catholic Primary School Knaresborough, a Voluntary Academy	570	109	27	244	950	964
St. Joseph's Catholic Primary School Harrogate, a Voluntary Academy	562	39	12	230	843	889
Holy Name Catholic Voluntary Academy	611	66	7	209	893	974
St. Stephen's Catholic Primary School, a Voluntary Academy	713	118	11	201	1,043	928
Total	9,975	2,429	233	3,810	16,447	16,686

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2018

14 FUNDS (continued)

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2018 £000
Tangible fixed assets	-	-	2,820	2,820
Current assets	479	304	392	1,175
Current liabilities	(477)	(610)	-	(1,087)
Pension scheme liability	-	(3,397)	-	(3,397)
	<u>(2)</u>	<u>(3,703)</u>	<u>3,212</u>	<u>(489)</u>

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

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2018 £000
Tangible fixed assets	-	-	2,792	2,792
Current assets	542	942	368	1,852
Current liabilities	(222)	(865)	-	(1,087)
Pension scheme liability	-	(4,011)	-	(4,011)
	<u>320</u>	<u>(3,934)</u>	<u>3,160</u>	<u>(454)</u>

15 FINANCIAL COMMITMENTS

OPERATING LEASES

At 31 August 2018 the Academy Trust had total commitments under non-cancellable operating leases as follows:

	2018 £	2017 £
Other:		
Amounts due within one year	22	36
Amounts due between one to five years	28	50
Amounts due after five years	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2018

16 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2018	2017
	£000	£000
Net income/(expenditure)	(1,098)	(489)
Investment income	(1)	(1)
Assets transferred on conversion	-	-
Cash transferred on conversion	-	-
Pension liability transferred on conversion	-	-
Depreciation (note 11)	173	147
FRS 102 pension cost less contributions payable (note 20)	357	522
FRS 102 pension finance costs (note 20)	92	112
(Increase)/decrease in debtors	17	(118)
Increase in creditors	-	116
Net cash provided by / (used in) Operating Activities	(460)	289

17 CASH FLOWS FROM INVESTING ACTIVITIES

	2018	2017
	£	£
Purchase of tangible fixed assets	(201)	(285)
Interest	1	1
Net cash provided by / (used in) investing activities	(200)	(284)

18 ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 1 September 2017 £	Cash flows £	At 31 August 2018 £
Cash at bank and in hand	1,342	(660)	682
	<u>1,342</u>	<u>(660)</u>	<u>682</u>



NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2018

19 MEMBERS' LIABILITY

Each member of the Charitable Company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one period 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.

**NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2018**

20 PENSION AND SIMILAR OBLIGATIONS

The Academy Trust's employees belong to three principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Yorkshire Pension Fund and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the North Yorkshire Pension fund. All are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 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 period.

Teachers' Pension Scheme

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

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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%.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2018

20 PENSION AND SIMILAR OBLIGATIONS (continued)

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

Pension costs paid to TPS in the period amounted to £1,005,815 (2017: £991,445).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The 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.

Local Government Pension Scheme – West Yorkshire Pension Fund

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 £536,000 (2017: £521,000), of which employer's contributions totalled £396,000 (2017: £367,000) and employees' contributions totalled £140,000 (2017: £154,000). The agreed contribution rates for future years are 16.8 per cent for employers and 5.5 per cent to 8.5 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	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.35%	3.35%
Rate of increase for pensions in payment/inflation	2.10%	2.10%
Rate of increase for deferred pensions	2.10%	2.10%
Discount rate for scheme liabilities	2.80%	2.50%
Inflation assumption (CPI)	2.10%	2.10%

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

	At 31 August 2018	At 31 August 2017
<i>Retiring today</i>		
Males	22.1	22.1
Females	25.3	25.2
<i>Retiring in 20 years</i>		
Males	23.1	23.0
Females	27.1	27.0

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 August 2018

20 PENSION AND SIMILAR OBLIGATIONS *(continued)*

Sensitivity analysis

	At 31 August 2018	At 31 August 2017
	£'000	£'000
Discount rate +0.1%	10,939	10,675
Discount rate -0.1%	11,399	11,124
Mortality assumption – 1 year increase	11,496	10,564
Mortality assumption – 1 year decrease	10,839	11,232
CPI rate +0.1%	11,238	10,967
CPI rate -0.1%	11,096	10,828

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

	Fair value at 31 August 2018	Fair value at 31 August 2017
	£000	£000
Equity instruments	6,746.8	6,370.8
Property	379.8	371.8
Government bonds	976.8	793.2
Corporate bonds	316.5	322.3
Cash	199.0	123.9
Other	425.1	280.9
Total market value of assets	9,044	8,263
Present value of scheme liabilities		
- Funded	(11,167)	(10,897)
Deficit in scheme	(2,123)	(2,634)

The actual return on scheme assets was £461,000 (2017: £1,013,000).

Amount recognised in the statement of financial activities

	2018	2017
	£000	£000
Current service cost (net of employee contributions)	724	784
Net interest cost	61	81
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Past service cost	9	3
Total operating charge	794	868

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
 for the year ended 31 August 2018

20 PENSION AND SIMILAR OBLIGATIONS (continued)

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

	2018 £000	2017 £000
At 1 September	10,897	11,259
Current service cost	724	784
Interest cost	272	224
Employee contributions	140	154
Actuarial (gain)/loss	(659)	(1,251)
Benefits paid	(216)	(276)
Past service cost	9	3
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	11,167	10,897

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

	2018 £000	2017 £000
At 1 September	8,263	7,005
Interest income	211	143
Remeasurement gains/(losses) on assets	250	870
Employer contributions	396	367
Employee contributions	140	154
Benefits paid	(216)	(276)
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	9,044	8,263

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2018

20 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme – North Yorkshire Pension Fund

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 £184,000 (2017: £131,000), of which employer's contributions totalled £152,000 (2017: £98,000) and employees' contributions totalled £32,000 (2017: £33,000). The agreed contribution rates for future years are 17.1 per cent for employers and 5.5 per cent to 8.5 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	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.25%	3.25%
Rate of increase for pensions in payment/inflation	2.00%	2.00%
Rate of increase for deferred pensions	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:

	At 31 August 2018	At 31 August 2017
<i>Retiring today</i>		
Males	22.9	22.8
Females	26.4	26.3
<i>Retiring in 20 years</i>		
Males	25.1	25.0
Females	28.7	28.6

Sensitivity analysis

	At 31 August 2018 £'000	At 31 August 2017 £'000
Discount rate +0.1%	1,752	1,637
Discount rate -0.1%	1,839	1,720
Mortality assumption – 1 year increase	1,846	1,629
Mortality assumption – 1 year decrease	1,744	1,728
CPI rate +0.1%	1,812	1,694
CPI rate -0.1%	1,778	1,662

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 August 2018

20 PENSION AND SIMILAR OBLIGATIONS (continued)

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equity instruments	316.2	199.6
Property	41.2	24.4
Government bonds	84.4	38.5
Corporate bonds	-	9.0
Cash	1.6	1.5
Other	77.6	27.9
Total market value of assets	521	301
Present value of scheme liabilities		
- Funded	(1,795)	(1,678)
Deficit in scheme	(1,274)	(1,377)

The actual return on scheme assets was £40,000 (2017: £27,000).

Amount recognised in the statement of financial activities

	2018 £000	2017 £000
Current service cost (net of employee contributions)	172	200
Net interest cost	32	31
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Total operating charge	204	231

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

	2018 £000	2017 £000
At 1 September	1,678	1,727
Current service cost	172	200
Interest cost	42	35
Employee contributions	32	33
Actuarial (gain)/loss	(125)	(308)
Benefits paid	(4)	(9)
Past service cost	-	-
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	1,795	1,678



NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2018

20 PENSION AND SIMILAR OBLIGATIONS (*continued*)

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

	2018	2017
	£000	£000
At 1 September	301	152
Interest income	10	4
Remeasurement gains/(losses) on assets	30	23
Employer contributions	152	98
Employee contributions	32	33
Benefits paid	(4)	(9)
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	521	301

21 RELATED PARTIES

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

The Diocese of Leeds (Vicariate of Education) - an organisation in which Bishop Marcus Stock (Member of the Trust), Rev. Timothy Swinglehurst (Member of the Trust) and Caroline Hyde (Member & Chair of the Trust) are key members with significant influence. This organisation is a registered charity therefore runs as not-for-profit, the Diocese of Leeds supports the Academy Trust in providing a catholic education for all our students. There were purchases of £32,984 (2017: £36,487) from The Diocese of Leeds during the year, at the 31 August 2018 £nil (2017: £nil) was included in debtors. There were sales of £1,195 (2017: £11,905) to the Diocese of Leeds during the year and £nil (2017: £nil) was included in creditors.

22 AGENCY ARRANGEMENTS

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year it received £10,223 (2017: £12,419) and disbursed £9,300 (2017: £12,419), with £511 retained for administration. Therefore there is £412 (2017: £nil) repayable by the Academy Trust at the 31 August 2018 included in other creditors.