

Blessed Christopher Wharton Catholic Academy Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the Year Ended 31st August 2017



Company Registration Number:
09066969 (England and Wales)

Blessed Christopher Wharton Catholic Academy Trust

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Blessed Christopher Wharton Catholic Academy Trust

Reference and Administrative Details

For the year ended 31 August 2017

Members:	Right Reverend Marcus Nigel Stock Canon Timothy Swinglehurst Mr Cameron James Elliot Robson	
Trustees:	Mr Cameron James Elliot Robson, Chair Mr David Patrick Johnson, Vice Chair Mr John Michael Devlin, Accounting Officer # Mr Samuel John Poulton (resigned 10 July 2017) Mrs Bernadette Mary Cawley # Mrs Margaret Stichbury (appointed 20 October 2016) Mr Keith Michael Moreton # Mr Neil Geoffrey Moules # Mr Paul Raymond Booth # Mrs Lynne Royle # Dr Deirdre Mary Naylor # Monsignor Andrew Liam Summersgill # Mrs Maureen Cairns (appointed 28 September 2017) Members of the finance and audit committees are denoted by #	
Senior Management Team:	Principal - St Anne's Principal - Our Lady of Victories Principal – St Joseph's Principal – St Walburga's Principal – St John the Evangelist Principal – St Winefride's Head of School – Our Lady of Victories Director of Finance	Mr Samuel John Poulton Mr John Michael Devlin Mr John Michael Devlin Mrs Elizabeth Snelling Mrs Kathryn Spillane Mrs Maureen Cairns Mr Paul Raymond Booth Mr Stephen Johnson
Company Name:	Blessed Christopher Wharton Catholic Academy Trust	
Principal and Registered Office:	St Joseph's Catholic Primary School Queens Road Keighley West Yorkshire BD21 1AR	
Company Registration Number:	09066969 (England and Wales)	
Independent Auditor:	BHP LLP New Chartford House Centurion Way Cleckheaton BD19 3QB	
Bankers:	Lloyds Bank plc 45 Hustlergate Bradford West Yorkshire BD1 1NT	
Solicitors	Browne Jacobson Mobray House, Castle Meadow Road Nottingham NG2 1BJ	

Blessed Christopher Wharton Catholic Academy Trust

Trustees' Report incorporating Directors' Report

For the year ended 31 August 2017

The Trustees present their annual report together with the financial statements and auditor's report of the Academy Trust for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The Blessed Christopher Wharton Catholic Academy Trust is part of the Diocese of Leeds and is under the guidance of the Bishop of Leeds and works closely with the Chief Operating Officer for the Diocese, the Diocesan Education Office and all Catholic schools and Academies within the Diocese. Each Academy within the Trust works closely with neighbouring schools and local Parishes and communities, as well as with the Local Authority of Bradford, following the Academy Trust's principle of solidarity: "Our schools, not my school."

The Academy Trust presently operates 6 Catholic primary academies in the area of Keighley and Bradford. Its academies have a current combined pupil capacity of 1,758 and had a roll of 1,754 in the school census on 18 May 2017. According to the Diocesan plan 'Building the Future' it is scheduled to include any Catholic school in Bradford and Keighley as and when their Governing Bodies choose to convert and their conversion is approved by the Diocese of Leeds Trustee.

Providing Catholic schools is integral to the life of the Catholic Church and drawing inspiration from the vision articulated by the Holy See in the year 2000, that "Catholic education demands to be clothed in fresh garments", as a Multi Academy Trust within the Diocese of Leeds, the Academy Trust is committed to renewal and excellence in Catholic schooling.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association, dated 2 June 2014, are the primary governing documents of the Academy Trust. The Trustees of Blessed Christopher Wharton Catholic Academy Trust are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Blessed Christopher Wharton Catholic Academy Trust.

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

Members' Liability

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

Trustees' Indemnities

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 period ended 31 August 2017 was £FOC. The cost of this insurance is included in the total cost of insurance.

Method of Recruitment and Appointment or Election of Trustees

The members' aim is to recruit responsible people as Trustees who are actively interested in the Academy Trust and can give the necessary time commitment. The members recruit Trustees through the Diocese of Leeds Education Office. The number of Trustees should not be less than three but shall not be subject to any maximum. The members may also appoint staff Trustees through such process as they may determine, provided that the total number of Trustees (including Principals) who are employees of the Academy Trust does not exceed one third of the total number of Trustees. There must be a minimum of two parent Trustees unless there are Academy Councils which include at least two parent members. The parent Trustees shall be elected by the Trustees. A parent Trustee must be a parent of a pupil at the Academy Trust at the time the parent Trustee is elected. The Trustees may appoint up to one co-opted Trustee. The term of office for any Trustee shall be four years, save that this time shall not apply to any post which is held ex-officio. New Trustees are given the appropriate level of training to carry out their responsibilities.

Blessed Christopher Wharton Catholic Academy Trust

Trustees' Report incorporating Directors' Report (continued)

For the year ended 31 August 2017

Policies and Procedures Adopted for the Induction and Training of Trustees

All new Trustees participate in an induction programme and are given an induction pack which provides a wide range of information and guidance relating to the governance of the Academy Trust. The Chair of Trustees is responsible for arranging a programme of Trustee training. Typically this is provided internally by Academy Trust staff but complementary outside resources are used where this is considered appropriate.

Organisational Structure

The Trustees hold at least one meeting every school term. The Trustees determine the general policy of the Academy Trust in relation to the constituent academies. The principle of subsidiarity means that decisions are taken at the most appropriate level. This is detailed in the Trust 'Matrix of Responsibilities' (Financial Handbook). No-one involved in the Academy Trust - Members, Trustees, staff, parents and young people - has the right to disregard the good of any constituent Academy while promoting the good of their own. All involved have the duty to recognise the complementary responsibilities to be undertaken within the Academy Trust. At the heart of the Church's social teaching is the duty to care for others.

The Principals are appointed by the Trust Board and are responsible for the day to day running of each Academy, supported by senior staff. Apart from the Principals, the Trust Board is also responsible for appointing Executive Headteachers, Head of School, Deputy Heads and Assistant Heads. Governance of each Academy is via the Academy Council, which consists of a majority of Academy Councillors (appointed by the Bishop), parent and staff Trustees- elected from their number, as outlined in the scheme of delegation. The policies of the Academy Trust and Academy Councils outline how these responsibilities are operated.

Arrangements for setting pay and remuneration of key management personnel

The Trustee's performance management subcommittee is responsible for reviewing the performance of Academy Principals including Executive Headteachers and recommending incremental scale point rises to the full Academy Trust Board within the parameters of the agreed head teacher pay scales. The Principals are responsible for reviewing the performance of deputies and Assistant Headteachers within their agreed pay scales. The Academy Trust Board sets and reviews the remuneration for the director of finance using the benchmark of other similar academy trusts.

Related Parties and other Connected Charities and Organisations

As part of the Diocese of Leeds the Academy Trust and each Academy also works with a number of local, national and international Catholic and other charities and Catholic and other organisations in pursuit of the activities as defined in the "Objects" of the Academy Trust.

Objectives and Activities

Objects and Aims

The Academy Trust aims "to provide and promote excellent Catholic education, enabling everyone to reach their full potential in union with God" through its member Academies and wider Academy Trust Board to the young people and families within the area covered by the Academy Trust and within the Diocese of Leeds.

The published Mission of the Academy Trust is: "With Jesus Christ at the centre of our life, we will provide Catholic schools open to all who want to share our educational goals inspired by Christian principles. We will offer the highest possible standards of education in which faith, culture and life are united in harmony. For the common good, we will work in partnership and trust with each other, with families, our communities and with all involved in the mission of education. We will encourage and empower children and young people to recognise and realise their God-given potential, providing them with opportunities to develop harmoniously their physical, moral, intellectual and spiritual gifts. We will help them to aspire to a sense of personal dignity and responsibility, to learn the correct use of freedom, and to participate actively in their communities. Guided by the Holy Spirit, we will teach Gospel values, as together we celebrate and live our call to follow Christ the teacher in self-giving love and service."

The academies within the Academy Trust therefore work together to develop this provision. These objects and aims are outlined in the Articles of Association, Schemes of Delegation and the School Development Plans for each Academy. The Headteachers meet every half term to discuss and implement the Academy Trust's Development Plan. The financial current and projected position is reported through the Headteacher's Reference Committee, Academy Trust Finance Committee, Academy Trust Audit Committee and Academy Trust Board. The Academy Trust Board is committed to maintaining and developing a systematic provision of employee information, through approved Academy Trust policies, appropriate consultation for change, consistent advice from the Academy Trust central office, thereby achieving a common awareness of the Academy Trust's overall performance.

Blessed Christopher Wharton Catholic Academy Trust

Trustees' Report incorporating Directors' Report (continued)

For the year ended 31 August 2017

Objectives, Strategies and Activities from the Trust Development Plan:

Objective	Strategy
All Academy Trust schools rated Ofsted good or outstanding	School to school support –within our Academy Trust schools, other Catholic schools and our wider community. Schools work within the Catholic Schools Partnership Teaching Schools Alliance. One Education provide school improvement support to the schools
Excellent Catholic schools, all Academy Trust schools judged outstanding by s48 inspection	Five schools in the Academy Trust achieved Outstanding and one school achieved Good
The Academy Trust has a sustainable leadership structure in the medium to long term.	Diocesan and national programmes of CPD, create opportunities for leadership experience within our schools and the Catholic Schools Partnership.
Sustainable finance structure to support all schools and the Academy Trust as a whole	High quality accounting, budgeting and financial management staff and structures in place
Work towards best value in all expenditure, whilst maintaining our ethos and principle of subsidiarity	Needs are highlighted through this year allowing best value to be the focus for the coming year.
Excellent HR provision	Review and develop provision across the Academy Trust to support all Academies
To become a Living Wage employer	An analysis of potential cost within the Trust and how other organisations have implemented. To consider in the light of minimum wage, job parity and differentials
Improve buildings, facilities and capacity	Develop a plan to maximise opportunities for accessing resources. Capacity plan based on projected numbers
Succession planning for staff, teachers and leaders	Looking to develop opportunities for staff at all levels across the Academy Trust and wider Catholic Education
Develop the process and capacity to welcome other schools within our area to join the Trust	Plan for any schools to join if requested and approved. Ability to support failing schools within the Diocese if needed
Catholic Ethos and Spirituality	Ongoing reinforcement of ethos and focus between all the schools of the Academy Trust. Collaborative work on S48 RE Review
Policies	Creation, approval and implementation of Academy Trust policies, consistent across the Academy Trust with appropriate review schedule

Objectives, Strategies and Activities

The Academy Trust's five year plan objectives 2016-2021 are:

- Strong and constantly improving Academies working together to deliver the very highest quality Catholic education for all our students
- A successful, inclusive and outward-looking Catholic Academy Trust that is made up of high-quality Trustees with a strong range of skills and experience who deliver impact throughout the Academy Trust
- An Academy Trust that develops all colleagues at all levels to effectively deliver the Vision for Catholic Education in Keighley and Bradford.

Blessed Christopher Wharton Catholic Academy Trust

Trustees' Report incorporating Directors' Report (continued)

For the year ended 31 August 2017

- Empowering all leaders to deliver results with autonomy, support and accountability.
- An Academy Trust that grows carefully and wisely to maximise positive impact on all academies
- An Academy Trust that develops the leaders of tomorrow in a sustainable leadership structure in the medium to long term.

Public Benefit

In line with the policy of the Catholic Church the academies offer an education to the whole local community; encouraging good educational standards and an engagement with the wider community.

In setting our objectives and planning our future activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Strategic Report

Achievements and Performance

The achievements and performance of the Academy Trust are summarised as follows:

- Measures of progress exceed national expectations of floor targets
- All schools are full to capacity or over subscribed
- All schools are financially stable
- Strong central finance and business function is in place ensuring strategic direction
- All schools apart from St Anne's are rated as good by OFSTED and five schools are rated as outstanding and one school as good for RE Section 48 by the Diocese of Leeds
- Developments are ongoing to ensure the best possible catholic education for all our pupils
- Robust staff structures in place across all schools with an effective CPD programme

Key Performance indicators

School	S. 5 Ofsted	RE S. 48	Headline		Attendance
St Anne's, Keighley Catholic Primary School	Inadequate June 2017	Good April 2017	Reading =67% Progress =-1.3 Writing=83% Progress =+1.6 Maths=76% Progress =-2.1	RWM combined =57%	94.3%
Our Lady of Victories Keighley Catholic Primary School	Good May 2017	Outstanding July 2016	Reading =74% Progress =+ 3.1 Writing=81% Progress =+3.4 Maths= 87% Progress =+4.8	RWM combined = 71%	96.9%

Blessed Christopher Wharton Catholic Academy Trust

Trustees' Report incorporating Directors' Report (continued)

For the year ended 31 August 2017

School	S. 5 Ofsted	RE S. 48	Headline		Attendance
St Joseph's, Keighley Catholic Primary School	Good 8 June 2016	Outstanding 8 June 2017	Reading = 70% Progress = -1.3 Writing=68% Progress = +1.5 Maths=79% Progress = -1.4	RWM combined = 65%	95.8%
St Walburga's Shipley Catholic Primary School	Good April 2011	Outstanding May 2017	Reading =83% Progress = -0.8 Writing=87% Progress = -1.0 Maths=90% Progress = -0.4	RWM combined = 83%	96%
St John the Evangelist Bradford Catholic Primary School.	Good November 2012	Outstanding Dec 2012	Reading =75% Progress = 1.6 Writing=82% Progress = 2.1 Maths=89% Progress = 1.7	RWM combined = 68%	97%
St Winefride's Bradford Catholic Primary School	Good March 2013	Outstanding April 2013	Reading =88% Progress = +1.9 Writing=82% Progress = -1.3 Maths=89% Progress = +4.1	RWM combined =75%	95.4%

St Anne's OFSTED

In June 2017, St Anne's school received an overall rating of "inadequate" following an inspection by Ofsted. Both the school and the Academy Trust Board were particularly disappointed in the inspection findings, given that St Anne's had been rated earlier in the year by Diocesan inspectors as a "Good Catholic School". As with all schools in the Academy Trust, Directors take their responsibility towards St Anne's very seriously, and have taken a number of decisive actions to address the issues raised in the report. These include:

- (1) The Academy Trust Board has replaced the Academy Council at St Anne's with a Trust Intervention Board, which is made up of a number of Trust Directors, the Diocesan deputy director of education, and expert support from both the Catholic Schools partnership and a provider of higher education in Bradford. This Board will provide governance for the school in the medium term, and is working with the Academy Trust to ensure that the school responds strongly to all the issues identified by Ofsted.
- (2) The Academy Trust Board has appointed a very experienced interim consultant head teacher, who will provide a significant level of support to the school over the coming months, and who will guide the school back to a "good" Ofsted rating.

Going Concern

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

As stated in note 23 in the event of Academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education.

Blessed Christopher Wharton Catholic Academy Trust

Trustees' Report incorporating Directors' Report (continued)

For the year ended 31 August 2017

Financial Review

The majority of the Academy Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of the General Annual Grant (GAG) and it also receives other grants such as pupil premium, the use of which is restricted to particular purposes. The grants received from the ESFA and other sources during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year, inherited fixed assets totalled £1,023,014, (2016 - £Nil) and incoming resources totalled £8,083,752, (2016 - £3,186,187) which did not cover the outgoing resources of £8,631,120, (2016 - £3,216,972) resulting in a net deficit of (£547,368) (2016 - (£30,785)).

There was a gain on the local government pension fund of £893,000, (2016 - deficit of (£859,000)) giving a net movement in funds surplus for the year of £345,632, (2016 - deficit of 889,785).

The unrestricted fund and restricted general fund surplus for the year was £373,259, (2016 - £82,443) and deficit of (£27,627), (2016 - deficit of £972,228) respectively.

The net book value of fixed assets was £1,833,772, (2016 - £831,451) as at 31 August 2017. These assets were exclusively for providing educational and support services to the Academy Trust.

Reserves Policy

The Trustees review the level of reserves annually. Unrestricted funds have been accumulated to a level which is considered sufficient to meet unexpected expenditure and may also be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

Unrestricted funds, restricted general funds and restricted fixed asset funds carried forward were £537,491, (2016 - £164,232), £Nil, (2016 - £47,727) and £1,833,772, (2016 - £833,672) respectively. There is no restriction of the amount of GAG that may be carried forward, however the surplus must continue to be used to meet the normal running costs of the Academy Trust.

The Trustees are of the opinion that there is adequate working capital in the form of net current assets amounting to £537,491, (2016 - £214,180).

The inherited Local Government Pension Scheme Liability on conversion is being repaid over a period of 20 years. See note 23.

Best Value

The Trustees appointed the director of finance in May 2016 to look at value for money through improved purchasing of supplies and services and obtaining best value through economies of scale. This has resulted in various contract renewals for goods and services re-negotiated with substantial discounts for all the schools in the Academy Trust. Head teachers and business managers meet on a regular basis to discuss best practice across all school in relation to data collection, IT Contracts, general procurement, standardised policies and working practices.

Investment Policy

The Academy Trust's funds are generally held in a low risk interest bearing bank current account. The Academy Trust also has the power to delegate the management of investments to a financial expert, under constant review and instruction of the Trustees, for any funds not immediately required, with the object of maximising returns on surplus funds.

Principal Risks and Uncertainties

The Trustees have examined the major risks that the Academy Trust faces each financial year when preparing and updating the strategic plan. The Academy Trust has developed systems to monitor and control these risks to mitigate any impact that they may have on the Academy Trust in the future. The finance committee has approved the risk register which contains timely actions and allocates responsibilities which are reviewed as appropriate. There are many uncertainties which are subjective in nature and difficult to quantify. The following key risks have been identified:

Blessed Christopher Wharton Catholic Academy Trust

Trustees' Report incorporating Directors' Report (continued)

For the year ended 31 August 2017

- Government Funding

The Academy Trust has considerable reliance on continued government funding through the DfE/ESFA and local authority, which represented the majority of total revenue for the period. There is little reassurance that government policy and funding levels will increase or even continue at existing levels in future years. To mitigate this risk, the Academy Trust aims to further develop new income streams such as additional hiring of facilities, to continue to deliver efficiencies and value for money in its operations, and to ensure all DfE/ESFA funding opportunities are identified.

- Estate

The size, age and condition of the school buildings represent a risk of unforeseen and significant maintenance and renewal expenditure. To mitigate this risk, effective preventative maintenance programmes are in place, as well as funding opportunities being explored.

Plans for Future Periods

The Academy Trust's key plans for the future are:

- to continue to protect against any unforeseen impacts by operating at a surplus, whilst prioritising maximum resources to ensure excellent teaching and learning of pupils
- to expand the Trust throughout the Bradford and Keighley Catholic Schools
- to work alongside the Catholic Schools Partnership Teaching School Alliance
- to develop its resilience through a proper programme of succession for all senior leaders

Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the Academy Trust's auditor is unaware
- the Trustees have taken all steps that ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company Directors, on 7th December 2017 and signed on the Board's behalf by:



Cameron James Elliot Robson
Chair of Trustees

Blessed Christopher Wharton Catholic Academy Trust

Governance Statement

For the year ended 31 August 2017

Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Blessed Christopher Wharton 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 Board of Trustees has delegated the day-to-day responsibility to the Accounting Officer, for ensuring accounting 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 Blessed Christopher Wharton Catholic Academy Trust and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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

<u>Trustee</u>	<u>Meetings attended / out of a possible</u>	
	<u>Full Board</u>	<u>Sub-Committees</u>
Mr Cameron James Elliot Robson, Chair	4/5	N/a
Mr David Patrick Johnson, Vice Chair	4/5	N/a
Mr John Michael Devlin, Accounting Officer	5/5	9/9
Mr Samuel John Poulton (resigned 10 July 2017)	4/4	4/5
Mrs Bernadette Mary Cawley	5/5	4/4
Mrs Margaret Stichbury (appointed 20 October 2016)	3/4	6/6
Mr Keith Michael Moreton	4/5	2/4
Mr Neil Geoffrey Moules	4/5	5/6
Dr Deirdre Mary Naylor	4/5	8/8
Monsignor Andrew Liam Summersgill	4/5	4/4
Mr Paul Raymond Booth	4/5	10/11
Mrs Lynne Royle	5/5	8/8

The Board of Trustees has an excellent range of skills to ensure they fulfil their roles and responsibilities effectively. The Trustees have plans in place to review their effectiveness via skills audits and Governing Body Reviews. The Academy Trust intends to set up a separate Governance Committee to ensure frequent appraisal. As part of their regular cycle of meetings, the Trustees review their strategic responsibilities for the continual development and improvement of the Academy Trust. As the Academy Trust expands, the Trustees recognise the importance of undertaking a skills audit to ascertain skills and experience, whilst identifying any training required.

The Board of Trustees conducts much of its business through the sub-committee structure which includes the following:

- Academic and Standards – its purpose being to receive reports, review, monitor compliance and make recommendations on the school's vision, ethos and values; curriculum strategy and programme; academic performance and public examination results; and staffing structure and quality of teaching.
- Finance – its purpose being to exercise the powers and duties of the Board of Trustees in respect of the financial administration of the Academy Trust, except for those items specifically reserved for the Board of Trustees and those delegated to the Principal and other staff.
- Audit – its purpose being to ensure that the Academy Trust policies and procedures are adhered to by performing a programme of internal checks and document traces.
- Performance Management – to review the performance and pay of head teachers.
- Human Resources & Pay – To review HR policies and senior staff remuneration and related issues.

Blessed Christopher Wharton Catholic Academy Trust

Governance Statement (continued)

For the year ended 31 August 2017

- Head Teachers Reference Committee – its purpose is to deal with operational matters and report to the Academy Trust Board.

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

- continuing to follow the general principles of probity, accountability and fairness, and obtaining several quotes for significant items of expenditure taking into account a range of factors other than the cost, such as the reputation and past performance of potential suppliers
- obtaining quotes from several firms of IT support providers who provide the schools with IT support, plus CLOUD based data storage and communication as a whole.
- Using the economies of scale available to the Academy Trust to purchase and implement common assessment schemes into all of the schools at a reduced rate.
- ensuring common and consistent safeguarding policies and practices across all the schools. This was enabled through procuring the services of a consultant to act on behalf of the whole Academy Trust. Economies of scale ensured that this was at a reduced rate.
- a MAT expansion grant of £100,000 was awarded. This has enabled the Academy Trust to streamline practices and communication across the Academy Trust and prepare for the integration of further schools.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Blessed Christopher Wharton Catholic Academy Trust for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. The process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

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

Blessed Christopher Wharton Catholic Academy Trust

Governance Statement (continued)

For the year ended 31 August 2017

The Board of Trustees has considered the need for a specific internal audit function and therefore appointed BHP LLP to carry out an internal audit on behalf of the Trust. This internal audit was completed in July 2017 with a favourable report and included:

- testing of income recognition;
- testing of payroll system;
- testing of procurement and purchasing.
- testing of bank reconciliations
- testing of petty cash systems

On an annual basis, the reviewer will report to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Review of Effectiveness

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

- the work of the reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the senior management team (see page 1) 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 to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 7th December 2017 and signed on its behalf by:



Cameron James Elliot Robson
Chair of Trustees



John Michael Devlin
Accounting Officer

Blessed Christopher Wharton Catholic Academy Trust

Statement on Regularity, Propriety and Compliance

For the year ended 31 August 2017

As Accounting Officer of Blessed Christopher Wharton Catholic Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

In so far as I'm aware, I confirm that I and the Academy Trust Board of Trustees 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 2016.

In so far as I'm aware, I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.



John Michael Devlin
Accounting Officer

7th December 2017

Blessed Christopher Wharton Catholic Academy Trust

Statement of Trustees' Responsibilities

For the year ended 31 August 2017

The Trustees who are appointed by the Bishop of Leeds (who act as Trustees of Blessed Christopher Wharton Catholic Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the Board of Trustees on 7th December 2017 and signed on its behalf by:



Cameron James Elliot Robson
Chair of Trustees

Blessed Christopher Wharton Catholic Academy Trust

Independent Auditor's Report to the Members of Blessed Christopher Wharton Catholic Academy Trust

For the year ended 31 August 2017

Opinion

We have audited the financial statements of Blessed Christopher Wharton Catholic Academy Trust (the 'Academy Trust') for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2017, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the trustees' 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.

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.

Blessed Christopher Wharton Catholic Academy Trust

Independent Auditor's Report to the Members of Blessed Christopher Wharton Catholic Academy Trust (Continued)

For the year ended 31 August 2017

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report (incorporating the strategic report and the Directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement [set out on page 13], the Trustees (who are also the Directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Lesley Kendrew
Senior Statutory Auditor
For and on behalf of: BHP LLP, Statutory Auditor



BHP LLP
Chartered Accountants and Statutory Auditors
New Chartford House,
Centurion Way, Cleckheaton
Bradford, West Yorkshire, BD19 3QB

7th December 2017

Blessed Christopher Wharton Catholic Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to the Members of Blessed Christopher Wharton Catholic Academy Trust and the Education and Skills Funding Agency

For the year ended 31 August 2017

In accordance with the terms of our engagement letter dated 14 November 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Blessed Christopher Wharton Catholic Academy Trust during the year ended 31 August 2017 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 Blessed Christopher Wharton 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 Blessed Christopher Wharton 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 Blessed Christopher Wharton Catholic Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Blessed Christopher Wharton Catholic Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Blessed Christopher Wharton Catholic Academy Trust's funding agreement with the Secretary of State for Education dated 2 June 2014 and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 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.

The work undertaken to draw to our conclusion includes:

- checking that the Academy Trust's activities are consistent with its framework and its charitable objectives
- checking that the Trustees and key staff have disclosed their interest in related parties, discussing the same with management and reviewing transactions during the year for undisclosed related party transactions
- checking that any related party transactions during the year are conducted at normal commercial rates
- checking that Academy Trust expenditure is permitted by its funding agreement
- checking that any borrowings entered into, including leases, are in accordance with the Academies Handbook
- checking that any land and building transactions, especially disposals, are in line with the funding agreement and Academies Handbook

Blessed Christopher Wharton Catholic Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to the Members of Blessed Christopher Wharton Catholic Academy Trust and the Education and Skills Funding Agency (continued)

For the year ended 31 August 2017

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Lesley Kendrew
Reporting Accountant

For and on behalf of: BHP LLP, Reporting Accountants

BHP LLP
Chartered Accountants and Statutory Auditors
New Chartford House
Centurion Way
Cleckheaton
Bradford
West Yorkshire
BD19 3QB

7th December 2017

Blessed Christopher Wharton Catholic Academy Trust

Statement of Financial Activities (including Income and Expenditure Account)

For the Year Ended 31 August 2017

	Note	Unrestricted Funds	Restricted Funds	Restricted Fixed Asset Funds	Total 2017	Total 2016
		£	£	£	£	£
Income from						
Donations and capital grants	2	-	-	19,840	19,840	-
Transfer from local authority on conversion	2	122,908	(1,510,000)	1,023,014	(364,078)	-
<i>Charitable activities</i>						
Funding for the Academy Trust's educational operations	3	-	7,957,932	176,728	8,134,660	3,103,744
Other trading activities	4	292,962	-	-	292,962	82,443
Investments	5	368	-	-	368	-
Total		416,238	6,447,932	1,219,582	8,083,752	3,186,187
Expenditure on:						
<i>Charitable activities:</i>						
Academy Trust educational operations	6	-	8,381,091	250,029	8,631,120	3,216,972
Total		-	8,381,091	250,029	8,631,120	3,216,972
Net income / (expenditure)		416,238	(1,933,159)	969,553	(547,368)	(30,785)
Transfers between funds		(42,979)	12,432	30,547	-	-
Other recognised gains and (losses)						
Actuarial gains / (losses) on defined benefit pension schemes		-	893,000	-	893,000	(859,000)
Net movement in funds		373,259	(1,027,727)	1,000,100	345,632	(889,785)
Reconciliation of Funds						
Total funds brought forward		164,232	(1,431,273)	833,672	(433,369)	456,416
Total funds carried forward at 31 August 2017	15	537,491	(2,459,000)	1,833,772	(87,737)	(433,369)

Blessed Christopher Wharton Catholic Academy Trust

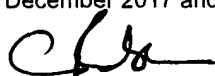
Company Registration Number 09066969

Balance Sheet

At 31 August 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	12		1,833,772		831,451
Current assets					
Debtors	13	406,067		413,837	
Cash at bank and in hand		1,315,738		202,991	
		<u>1,721,805</u>		<u>616,828</u>	
Liabilities					
Creditors: Amounts falling due within one year	14	(1,184,314)		(402,648)	
Net current assets			<u>537,491</u>		<u>214,180</u>
Total assets less current liabilities			<u>2,371,263</u>		<u>1,045,631</u>
Defined benefit pension scheme liability	23		(2,459,000)		(1,479,000)
Total net assets			<u>(87,737)</u>		<u>(433,369)</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	15	1,833,772		833,672	
Restricted income fund	15	-		47,727	
Pension reserve	15	(2,459,000)		(1,479,000)	
Total restricted funds			<u>(625,228)</u>		<u>(597,601)</u>
Unrestricted income funds	15		<u>537,491</u>		<u>164,232</u>
Total funds			<u>(87,737)</u>		<u>(433,369)</u>

The financial statements on pages 18 to 39 were approved by the trustees and authorised for issue on 7th December 2017 and are signed on their behalf by:



Cameron James Elliot Robson
Chair of Trustees

Blessed Christopher Wharton Catholic Academy Trust

Statement of Cash Flows

For the Year Ended 31 August 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Net cash used in operating activities	19	1,145,515	(555,387)
Cash flows from investing activities	20	(32,768)	(158,770)
Change in cash and cash equivalents in the reporting period	21	1,112,747	(714,157)
 Cash and cash equivalents at 1 September 2016		202,991	917,148
 Cash and cash equivalents at 31 August 2017		1,315,738	202,991

Blessed Christopher Wharton Catholic Academy Trust

Notes to the Financial Statements

For the Year Ended 31 August 2017

1. Statement of Accounting Policies

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

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Blessed Christopher Wharton Academy Trust meets the definition of a public benefit entity under FRS 102.

Going concern

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

Income

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

• Grants

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

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

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

• Donations

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

• Other income

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

Blessed Christopher Wharton Catholic Academy Trust

Notes to the Financial Statements

For the Year Ended 31 August 2017

1. Statement of Accounting Policies (continued)

• Donated fixed assets (excluding transfers on conversion)

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

• Transfer on Conversion

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

Expenditure

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

• Expenditure on Raising Funds

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

• Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

Blessed Christopher Wharton Catholic Academy Trust

Notes to the Financial Statements (continued)

For the Year Ended 31 August 2017

1. Statement of Accounting Policies (continued)

Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold Improvements	2% straight line
Furniture & Equipment	5% - 10% reducing balance
Computer Equipment	25% straight line

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

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

Liabilities

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

Leased assets

Rentals under operating leases are charged in the SOFA as they become payable.

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 13. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. 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.

Taxation

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

Blessed Christopher Wharton Catholic Academy Trust

Notes to the Financial Statements (continued)

For the Year Ended 31 August 2017

1. Statement of Accounting Policies (continued)

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 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 2017. 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.

Blessed Christopher Wharton Catholic Academy Trust

Notes to the Financial Statements (continued)

For the Year Ended 31 August 2017

2. Donations and capital grants

	Unrestricted Funds	Restricted Funds	Total	Total
	£	£	2017 £	2016 £
Transfer from local authority on conversion	122,908	-	122,908	-
Capital Grants	-	19,840	19,840	-
Donated Fixed Assets	-	1,023,014	1,023,014	-
Pension Deficit on Conversion	-	(1,510,000)	(1,510,000)	-
	<u>122,908</u>	<u>(467,146)</u>	<u>(344,238)</u>	<u>-</u>

3. Funding for the academy trust's educational operations

	Unrestricted Funds	Restricted Funds	Total 2017 £	Total 2016 £
	£	£	£	£
DfE / ESFA grants				
· General annual grant (GAG)	-	6,263,965	6,263,965	2,414,019
· Capital grants	-	176,728	176,728	199,951
· Other DfE/ESFA grants	-	791,321	791,321	233,388
	<u>-</u>	<u>7,232,014</u>	<u>7,232,014</u>	<u>2,847,358</u>
Other Government grants				
· Local authority grants	-	596,588	596,588	256,386
· Trust's educational operations	-	306,058	306,058	-
	<u>-</u>	<u>902,646</u>	<u>902,646</u>	<u>256,386</u>
Total grants	<u>-</u>	<u>8,134,660</u>	<u>8,134,660</u>	<u>3,103,744</u>

4. Other trading activities

	Unrestricted Funds	Restricted Funds	Total 2017 £	Total 2016 £
	£	£	£	£
Hire of facilities	56,870	-	56,870	7,629
Breakfast/Nursery/after school clubs/ Trips etc	76,142	-	76,142	25,996
Sundry Income	141,928	-	141,928	43,433
Catering	18,022	-	18,022	5,385
	<u>292,962</u>	<u>-</u>	<u>292,962</u>	<u>82,443</u>

5. Investment income

	Unrestricted Funds	Restricted Funds	Total 2017 £	Total 2016 £
	£	£	£	£
Bank Interest	368	-	368	-

Blessed Christopher Wharton Catholic Academy Trust

Notes to the Financial Statements (continued)

For the Year Ended 31 August 2017

6. Expenditure

	Staff Costs	Non Pay Expenditure		Total	Total
		Premises	Other	2017	2016
	£	£	£	£	£
Academy's educational operations:					
· Direct costs	5,700,324	222,039	797,858	6,720,221	2,475,616
· Allocated support costs	843,710	419,798	647,391	1,910,899	741,356
	<u>6,544,034</u>	<u>641,837</u>	<u>1,445,249</u>	<u>8,631,120</u>	<u>3,216,972</u>

Net income/(expenditure) for the period includes:

	2017	2016
	£	£
Operating leases:		
· office equipment & Minibus	31,289	15,283
Depreciation	228,368	33,132
Fees payable to auditor for:		
· audit	10,000	6,000
· other services	3,700	550
	<u>273,357</u>	<u>54,968</u>

7. Charitable activities

	2017	2016
	£	£
Direct Costs - educational operations	6,720,221	2,475,616
Support Costs - educational operations	1,910,899	741,356
	<u>8,631,120</u>	<u>3,216,972</u>

Blessed Christopher Wharton Catholic Academy Trust

Notes to the Financial Statements (continued)

For the Year Ended 31 August 2017

7. Charitable activities (continued)	2017 £	2016 £
Allocated support costs		
Support staff costs	843,710	278,159
Depreciation	27,990	14,731
Technology costs	38,975	5,260
Maintenance of premises and equipment	132,902	69,580
Cleaning	13,045	3,868
Rates and water	46,879	4,803
Energy costs	97,141	31,226
Insurance	54,555	12,410
Security and transport	47,285	23,962
Catering	392,327	170,203
Other support costs	180,230	113,377
Governance costs	35,860	13,777
Total support costs	1,910,899	741,356

8. Staff

a. Staff costs

Staff costs during the period were:

	2017 £	2016 £
Wages and salaries	4,745,854	1,888,482
Social security costs	402,426	132,663
Operating costs of defined pension schemes	1,112,059	360,957
Apprenticeship levy	4,388	-
	6,264,727	2,382,102
Supply staff costs	275,269	103,504
Redundancy costs	4,038	-
	6,544,034	2,485,606

Blessed Christopher Wharton Catholic Academy Trust

Notes to the Financial Statements (continued)

For the Year Ended 31 August 2017

8. Staff (continued)

b. Staff numbers

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

	2017 Number	2016 Number
Charitable activities		
Teachers	70	23
Administration and support	199	74
Management	13	7
	<u>282</u>	<u>104</u>

c. Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2017 Number	2016 Number
£60,001 - £70,000	3	1
£70,001 - £80,000	1	-
£90,001 - £100,000	1	1
	<u>5</u>	<u>2</u>

d. Key Management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £598,555 (2016 - £357,520).

9. Related party transactions – trustees' remuneration & expenses

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

John Michael Devlin (Principal and Trustee):
Remuneration £90,000 - £100,000 (2016 - £85,000 - £90,000)
Employer's pension contributions £15,000 - £20,000 (2016 - £10,000 - £15,000)

Samuel John Poulton (Principal and Trustee):
Remuneration £55,000 - £60,000 (2016 - £65,000 - £70,000)
Employer's pension contributions £5,000 - £10,000 (2016 - £10,000 - £15,000)

Paul Raymond Booth (Head of School and Trustee):
Remuneration £60,000 - £65,000 (2016 - £55,000 - £60,000)
Employer's pension contributions £5,000 - £10,000 (2016 - £5,000 - £10,000)

John Michael Devlin is the Executive Head of both Our Lady of Victories Keighley and St Joseph's Primary school in Keighley. The Academy Trust allocates part of his salary and related costs based on pupil numbers pro rata to each school

During the period ended 31 August 2017, travel and subsistence expenses amounting to £368 were reimbursed to 2 Trustees, (2016 - £Nil).

Other related party transactions involving the Trustees are set out in note 24.

Blessed Christopher Wharton Catholic Academy Trust

Notes to the Financial Statements (continued)

For the Year Ended 31 August 2017

10. Central Services

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

- Financial Services.

The Academy Trust has commenced allocating £1,000 per month per school from June 2017.

The actual amounts charged during the year were as follows:-

- £3,000 per school giving a total income contribution of £18,000 (2016 - £Nil).

11. 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 business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2017 was £FOC. (2016 - £2,297). The cost of this insurance is included in the total insurance cost.

12. Tangible fixed assets

	Leasehold improvements	Furniture and equipment	Computer Equipment	Total
	£	£	£	£
Cost or valuation				
At 1 September 2016	465,027	228,598	193,556	887,181
Additions	147,802	685,791	418,757	1,252,350
Disposals	-	-	(24,000)	(24,000)
At 31 August 2017	<u>612,829</u>	<u>914,389</u>	<u>588,313</u>	<u>2,115,531</u>
Depreciation				
At 1 September 2016	11,948	22,582	21,200	55,730
Charge for the year	12,258	72,789	143,321	228,368
Disposals	-	-	(2,339)	(2,339)
At 31 August 2017	<u>24,206</u>	<u>95,371</u>	<u>162,182</u>	<u>281,759</u>
Net book values				
At 31 August 2017	<u>588,623</u>	<u>819,018</u>	<u>426,131</u>	<u>1,833,772</u>
At 31 August 2016	<u>453,079</u>	<u>206,016</u>	<u>172,356</u>	<u>831,451</u>

The Academy Trust occupies land (including buildings) which are owned by its Diocese of Leeds Trustee. The Trustees are the providers of the Academies on the same basis as when the Academies were maintained schools. The Academy Trust occupies the land (and buildings) under a mere licence. This continuing permission of their Trustees 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 for the time being, but does not vest any rights over the land in the Academy Trust. The Trustees have given an undertaking to the Secretary of State that they will not give the Academy Trust less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the Academy Trust is occupying the land (and buildings) the Trustees have concluded that the value of the land and buildings occupied by the Academy Trust will not be recognised on the balance sheet of the Academy Trust. Any development would be undertaken only and in conjunction with the Diocesan Trustees.

13. Debtors

	31 August 2017 £	31 August 2016 £
VAT recoverable	118,404	279,751
Other debtors	16,351	44,128
Prepayments and accrued income	271,312	89,958
	<u>406,067</u>	<u>413,837</u>

Blessed Christopher Wharton Catholic Academy Trust

Notes to the Financial Statements (continued)

For the Year Ended 31 August 2017

14. Creditors: amounts falling due within one year

	31 August 2017 £	31 August 2016 £
Trade creditors	978,588	375,290
Accruals and deferred income	205,726	27,358
	<u>1,184,314</u>	<u>402,648</u>

	31 August 2017 £	31 August 2016 £
Deferred income		
Deferred income at 1 September 2016	10,634	10,087
Released from previous year	(10,634)	(10,087)
Resources deferred in the year	125,134	10,634
	<u>125,134</u>	<u>10,634</u>
Deferred income at 31 August 2017		

Deferred Income of £125,134 relates to UIFSM.

15. Funds

	Balance at 01 September 2016 £	Incoming Resources £	Resources Expended £	Gains, losses and Transfers £	Balance at 31 August 2017 £
Restricted general funds					
General annual grant (GAG)	47,727	7,957,932	(8,018,091)	12,432	-
Pension reserve	(1,479,000)	-	(363,000)	(617,000)	(2,459,000)
	<u>(1,431,273)</u>	<u>7,957,932</u>	<u>(8,381,091)</u>	<u>(604,568)</u>	<u>(2,459,000)</u>
Restricted fixed asset funds					
Transfer on conversion	349,629	19,840	(222,039)	1,023,014	1,170,444
DFE/ESFA capital grant	484,043	176,728	(27,990)	30,547	663,328
	<u>833,672</u>	<u>196,568</u>	<u>(250,029)</u>	<u>1,053,561</u>	<u>1,833,772</u>
Total restricted funds	<u>(597,601)</u>	<u>8,154,500</u>	<u>(8,631,120)</u>	<u>448,993</u>	<u>(625,228)</u>
Total unrestricted funds	<u>164,232</u>	<u>416,238</u>	<u>-</u>	<u>(42,979)</u>	<u>537,491</u>
Total funds	<u>(433,369)</u>	<u>8,570,737</u>	<u>(8,631,120)</u>	<u>406,014</u>	<u>(87,737)</u>

Blessed Christopher Wharton Catholic Academy Trust

Notes to the Financial Statements (continued)

For the Year Ended 31 August 2017

15. Funds (continued)

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

Restricted general funds

GAG must be used for the normal running costs of the Academy Trust. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Funds inherited on conversion were used for the normal running costs of the Academy Trust.

Other DfE/ESFA and government grants are used specifically for the purpose for which they are intended.

The restricted Pension reserve represents the deficit on the six Academies in the Academy Trust's share of the Local Government Pension Scheme as at 31 August 2017.

Restricted fixed asset funds

Transfer of fixed assets relates to the fair value applied to furniture and equipment on conversion from schools to an Academy. ESFA capital grant relates to expenditure incurred on leasehold improvements and furniture and equipment.

Unrestricted funds

Unrestricted funds relate to venue hire, before and after school clubs and catering income and may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

Analysis by fund balance

	Total Funds 31 August 2017 £	Total Funds 31 August 2016 £
Fund balances at 31 August 2017 were allocated as follows:		
St Anne's Catholic Primary Academy Keighley	50,561	151,089
Our Lady of Victories Catholic Primary Academy Keighley	17,724	60,870
St Joseph's Catholic Primary Academy Keighley	103,348	-
St Walburga's Catholic Primary Academy Shipley	72,719	-
St John the Evangelist Catholic Primary Academy Bradford	61,042	-
St Winefride's Catholic Primary Academy Bradford	142,495	-
Central Funds	89,602	-
Total before fixed assets and pension reserve	537,491	211,959
Restricted fixed asset fund	1,833,772	833,672
Pension reserve	(2,459,000)	(1,479,000)
Total	(87,737)	(433,369)

Analysis by cost

Expenditure (excluding depreciation) incurred during the year was as follows:

	Teaching and Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excluding Depreciation)	Total
St Anne's Keighley	1,126,393	155,210	263,174	131,414	1,676,191
Our Lady of Victories Keighley	1,119,656	101,529	143,282	173,600	1,538,068
St Joseph's Keighley	980,992	144,876	149,610	104,086	1,379,564
St Walburga's Shipley	601,838	97,065	117,189	81,552	897,644
St John the Evangelist Bradford	573,797	83,049	162,540	85,058	904,444
St Winefride's Bradford	1,297,648	191,823	244,339	165,780	1,899,590
Central Costs	-	70,158	490	14,944	85,591
	5,700,324	843,710	1,080,624	756,433	8,381,091

Blessed Christopher Wharton Catholic Academy Trust

Notes to the Financial Statements (continued)

For the Year Ended 31 August 2017

16. Analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	1,833,772	1,833,772
Current assets	537,491	1,184,314	-	1,721,805
Current liabilities	-	(1,184,314)	-	(1,184,314)
Pension scheme liability	-	(2,459,000)	-	(2,459,000)
Total net assets	537,491	(2,459,000)	1,833,772	(87,737)

17. Capital commitments

The Academy Trust did not have any capital commitments contracted for, but not provided in the financial statements at the year ended 31 August 2017 (2016 - £Nil)

18. Commitments under operating leases

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	31 August 2017 £	31 August 2016 £
Amounts due within one year	32,069	17,132
Amounts due between one and five years	82,982	56,223
	115,051	73,355

19. Reconciliation of net income to net cash inflow from operating activities

	31 August 2017 £	31 August 2016 £
Net income for the reporting period (as per the statement of financial activities)	(547,368)	(30,785)
Depreciation (note 12)	228,368	33,132
Loss on Sale of Fixed Assets	21,661	-
Capital grants from ESFA and other capital income	(196,568)	(199,951)
Transfer of fixed assets on conversion (excluding cash)	(1,023,014)	-
Defined benefit pension scheme obligation inherited	1,510,000	-
Defined benefit pension scheme cost less contributions payable (note 23)	310,000	75,000
Defined benefit pension scheme finance cost (note 23)	53,000	18,000
Decrease / (Increase) in debtors	7,770	(257,599)
Increase / (Decrease) in creditors	781,666	(193,184)
Net cash provided by / (used in) operating activities	1,145,515	(555,387)

20. Cash flows from investing activities

	31 August 2017 £	31 August 2016 £
Purchase of tangible fixed assets	(1,252,350)	(358,721)
Capital grants from ESFA and other capital income	196,568	199,951
Transfer of fixed assets on conversion (excluding cash)	1,023,014	-
Net cash provided by / (used in) investing activities	(32,768)	(158,770)

Blessed Christopher Wharton Catholic Academy Trust

Notes to the Financial Statements (continued)

For the Year Ended 31 August 2017

21. Analysis of cash and cash equivalents

	At 31 August 2017	At 31 August 2016
		£
Cash at bank and in hand	1,315,738	202,991
Total cash and cash equivalents	<u>1,315,738</u>	<u>202,991</u>

22. Members' liability

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

23. Pension and Similar Obligations

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

Blessed Christopher Wharton Catholic Academy Trust

Notes to the Financial Statements (continued)

For the Year Ended 31 August 2017

23. Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme (continued)

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

The employer's pension costs paid to the TPS in the period amounted to £424,129 (2016 - £160,476).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £433,000 (2016 - £156,000), of which employer's contributions totalled £327,000 (2016 - £110,000) and employees' contributions totalled £106,000 (2016 - £46,000). The agreed contribution rates for future years is 16% for employers and between 5.5% and 12.5% for employees.

On conversion to Academy status the Academy Trust became the Scheme Employer of the West Yorkshire Local Government Pension Scheme. Recent actuarial valuations have disclosed a deficit within this Scheme. The Academy Trust will make contributions to this Scheme in accordance with the terms of the Scheme and, under normal circumstances, any deficit would be expected to be repayable over an extended period of time of around 20 years. The Academy Trust has been advised that a Parliamentary Minute has been laid before both Houses of Parliament that sets out the detail of the guarantee that states that in the event of closure of an Academy Trust that the Department for Education will meet any pension liabilities.

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 2017	At 31 August 2016
Rate of increase in salaries	3.35%	3.50%
Rate of increase for pensions in payment / inflation	2.10%	2.00%
Discount rate for scheme liabilities	2.40%	2.00%
Inflation assumption (CPI)	2.10%	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 2017	At 31 August 2016
Retiring today		
Males	22.1	22.7
Females	25.2	25.6
Retiring in 20 years		
Males	23.0	24.9
Females	27.0	28.0

Sensitivity Analysis

	At 31 August 2017	At 31 August 2016
Discount Rate +0.1%	8,229,000	3,222,000
Discount Rate - 0.1%	8,520,000	3,353,000
Mortality assumption - 1 year increase	8,634,000	3,393,000
Mortality assumption - 1 year decrease	8,114,000	3,182,000

Blessed Christopher Wharton Catholic Academy Trust

Notes to the Financial Statements (continued)

For the Year Ended 31 August 2017

23. Pension and similar obligations (continued)

The Academy Trust's share of the assets in the scheme were:

	Asset allocation at 31 August 2017	Fair value at 31 August 2017	Fair value at 31 August 2016
Equities	77.10%	4,559,694	1,357,808
Government bonds	9.60%	567,744	202,496
Corporate bonds	3.90%	230,646	75,936
Property	4.50%	266,130	86,784
Cash/liquidity	1.50%	88,710	25,312
Other	3.40%	201,076	59,664
Total market value of assets		5,914,000	1,808,000
Present value of scheme liabilities		(8,373,000)	(3,287,000)
Deficit in the scheme		(2,459,000)	(1,479,000)

The actual return on scheme assets was £649,000. (2016 - £278,000).

Amounts recognised in the statement of financial activities

	To 31 Aug 2017 £	To 31 Aug 2016 £
Current service cost (net of employee contributions)	637,000	185,000
Net Interest cost	53,000	18,000
Total amount recognised in the SOFA	690,000	203,000

Blessed Christopher Wharton Catholic Academy Trust

Notes to the Financial Statements (continued)

For the Year Ended 31 August 2017

23. Pension and similar obligations (continued)

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

	2017	2016
	£	£
At 1 September	3,287,000	1,954,000
Upon Conversion	4,672,000	-
Current service cost	637,000	185,000
Interest cost	161,000	73,000
Employee contributions	106,000	46,000
Actuarial (gain)/loss	(352,000)	1,082,000
Benefits/transfers Paid	(138,000)	(53,000)
At 31 August	8,373,000	3,287,000

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

	2017	2016
	£	£
At 1 September	1,808,000	1,427,000
Upon conversion	3,162,000	-
Interest Income	108,000	55,000
Actuarial gain/(losses) on assets	541,000	223,000
Contributions by employer	327,000	110,000
Contributions by employee	106,000	46,000
Net Benefits Paid out	(138,000)	(53,000)
At 31 August	5,914,000	1,808,000

Blessed Christopher Wharton Catholic Academy Trust

Notes to the Financial Statements (continued)

For the Year Ended 31 August 2017

24. Related Party Transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy Trust has 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 following related party transaction took place in the period of account.

As explained in note 12, the Academy Trusts main buildings are owned by its Trustees who are The Diocese of Leeds and made available to Blessed Christopher Wharton Catholic Academies Trust without charge.

Services supplied by the Diocese of Leeds for Music / Choir provision, school contribution and appeals amounted to £25,838 (2016 - £8,173).

25. Events after the end of the reporting period

The following primary schools have applied to the Diocese of Leeds to join the Academy Trust in the year 2017/18:-

St Joseph's Catholic Primary School Bingley
 St Mary & St Peter's Catholic Primary School Bradford
 St Anthony's Catholic Primary School Bradford
 St Clare's Catholic Primary School Fagley
 St William's Catholic Primary School Bradford
 Our Lady & St Brendan's Catholic Primary School Bradford

26. New Academies during the period

On 1 October 2016 the following schools, St Joseph's Catholic Primary School Keighley, St John the Evangelist Catholic Primary School Bradford and St Winefride's Catholic Primary School Bradford and in addition on 1 November 2016 St Walburga's Catholic Primary School Shipley converted to Academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Blessed Christopher Wharton Catholic Academy Trust from Bradford Council, for £nil consideration.

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

The following tables set out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA:-

	Unrestricted Funds	Restricted General Fund	Restricted Fixed Asset Funds	Total 2017
	£	£	£	£
St Joseph's Catholic Primary School Keighley				
Other tangible fixed assets	-	-	261,230	261,230
Budget surplus on LA Funds	22,794	-	-	22,794
LGPS pension deficit	-	(548,259)	-	(548,259)
Net assets / (liabilities)	22,794	(548,259)	261,230	(264,235)

Blessed Christopher Wharton Catholic Academy Trust

Notes to the Financial Statements (continued)

For the Year Ended 31 August 2017

26. New Academies during the period - continued

St John the Evangelist Catholic Primary School Keighley	Unrestricted Funds	Restricted General Fund	Restricted Fixed Asset Funds	Total 2017
	£	£	£	£
Other tangible fixed assets	-	-	148,675	148,675
Budget surplus on LA Funds	4,537	-	-	4,537
Budget surplus on other school Funds	4,017	-	-	4,017
LGPS pension deficit	-	(121,370)	-	(121,370)
Net assets / (liabilities)	8,554	(121,370)	148,675	35,859

St Winefride's Catholic Primary School Keighley	Unrestricted Funds	Restricted General Fund	Restricted Fixed Asset Funds	Total 2017
	£	£	£	£
Other tangible fixed assets	-	-	330,469	330,469
Budget surplus on LA Funds	12,792	-	-	12,792
Budget surplus on other school Funds	53,551	-	-	53,551
LGPS pension deficit	-	(460,371)	-	(460,371)
Net assets / (liabilities)	66,343	(460,371)	330,469	(63,559)

St Walburga's Catholic Primary School Shipley	Unrestricted Funds	Restricted General Fund	Restricted Fixed Asset Funds	Total 2017
	£	£	£	£
Other tangible fixed assets	-	-	282,640	282,640
Budget surplus on LA Funds	13,316	-	-	13,316
Budget surplus on other school Funds	11,899	-	-	11,899
LGPS pension deficit	-	(380,000)	-	(380,000)
Net assets / (liabilities)	25,215	(380,000)	282,640	(72,145)

Blessed Christopher Wharton Catholic Academy Trust

Statement of Financial Activities (including Income and Expenditure Account)

For the Year Ended 31 August 2016

27.

Statement of Financial Activities (including Income and Expenditure Account for the Year Ended 31 August 2016)

	Unrestricted Funds	Restricted Funds	Restricted Fixed Asset Funds	Total 2016
	£	£	£	£
Income from				
<i>Donations and capital grants</i>				
Transfer from local authority on conversion	-	-	-	-
<i>Charitable activities</i>				
Funding for the academy trust's educational operations	-	2,903,793	199,951	3,103,744
Other trading activities	82,443	-	-	82,443
Investments	-	-	-	-
Total	82,443	2,903,793	199,951	3,186,187
Expenditure on:				
<i>Charitable activities:</i>				
Academy trust educational operations	-	3,183,840	33,132	3,216,972
Total	-	3,183,840	33,132	3,216,972
Net income / (expenditure)	82,443	(280,047)	166,819	(30,785)
Transfers between funds	-	-	-	-
Other recognised gains and (losses)				
Actuarial (losses) / gains on defined benefit pension schemes	-	(859,000)	-	(859,000)
Net movement in funds	82,443	(1,139,047)	166,819	(889,785)
Reconciliation of Funds				
Total funds brought forward	81,789	(292,226)	666,853	456,416
Total funds carried forward at 31 August 2016	164,232	(1,431,273)	833,672	(433,369)