

**Bradford Diocesan Academies Trust  
(A Company Limited By Guarantee)**

**Annual Report and Financial Statements**

**Year ended 31 August 2015**

**Company registration number: 08258994**

# **Bradford Diocesan Academies Trust**

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## **Bradford Diocesan Academies Trust**

### **Reference and Administrative Details**

Directors	Venerable Doctor David Lee (Chairman) Mr Anthony Hesselwood Mr John Watts Ms Carol Dewhurst Mr Philip Turner Reverend Canon Denise Poole (appointed 18 October 2014) Reverend John Fredrick Butler (resigned 18 October 2014) Mrs Eileen Fitzpatrick (appointed 4 February 2015) Mrs Catherine Wilson (appointed 20 July 2015) Mrs Margaret Platt (appointed 9 November 2015) Mrs Tessa Mason (appointed 9 November 2015)	
Senior Management Team	Ms Carol Dewhurst (CEO & Company Secretary) Mr Andrew Chadwick, Headteacher (St Oswald's) Mrs Phillippa Foster, Headteacher (Christ Church) Miss Michelle Hargreaves, Headteacher (St Philip's) Ms Diane Pickering, Principal designate (Bradford Forster Academy)	
Registered office	The Old School House 60 Wrose Brow Road Shipley BD18 2NT	
Independent Auditors	BHP Clough & Company LLP New Chartford House Centurion Way Cleckheaton BD19 3QB	
Bankers	Co-operative Bank PLC Delf House Southway Skelmersdale WN8 6WT	
Legal Advisers	Lee Bolton Monier Williams 1 The Sanctuary Westminster London SW1P 3JT	Lupton Fawcett Denison Till Yorkshire House East Parade Leeds LS1 5BD

## **Bradford Diocesan Academies Trust**

### **Trustees' Report for the year ended 31 August 2015**

The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the year ended 31 August 2015. The annual report serves the purposes of both a trustees' report and a trustees' report under company law.

The trust operates 3 primary and 1 secondary academy in Bradford. Its academies have a combined pupil capacity of 1,140 and had a roll of 979 in the school census on October 2015.

### **Structure, Governance and Management**

#### **Constitution**

The academy trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The company was incorporated on 18 October 2012 and the company registration number is 08258994.

The trustees of Bradford Diocesan Academy Trust are also the trustees of the charitable company for the purposes of company law. The charitable company is known as the Bradford Diocesan Academies Trust, and includes the following academies:

- St. Oswald's C of E Primary Academy
- Christ Church Church of England Primary Academy
- St Philip's Church of England Primary Academy
- Bradford Forster Academy

Details of the trustees who served during the period are included in the Reference and Administrative Details on page 2.

#### **Members' Liability**

Members are appointed by the Diocese of Bradford and Diocese of Ripon & Leeds Educational Trust and each undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

#### **Trustees' Indemnities**

The charitable company pays a premium of £2,638 (2014 - £1,001) to provide indemnity insurance for the trustees.

#### **Method of Recruitment and Appointment or Election of trustees**

The Board seeks to have members with a range of skills and experience in education and business management. New trustees are identified with the necessary skills through Diocesan and education networks. The board may appoint up to 2 trustees without reference to the members, who carry the responsibility to appoint trustees.

#### **Principal Activity**

The charitable company acts as sponsor for Church of England academies with a view to providing a high standard of education to the communities in which they exist.

#### **Policies and Procedures Adopted for the Induction and Training of trustees**

A programme of induction by academy visits and familiarisation with the objects and procedures is offered to new trustees and appropriate training is made available.

#### **Organisational Structure**

The trustees appoint LGB's for each academy to whom, in conjunction with the principal of that academy, some of the management responsibilities are delegated. A formal scheme of delegation is drawn up in consultation with the Department for Education for each LGB.

The board is supported by a Finance Committee and Strategic Groups for Primary and Secondary.

## **Bradford Diocesan Academies Trust**

### **Trustees' Report for the year ended 31 August 2015 (continued)**

#### **Risk Management**

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

#### **Connected Organisations including Related Party Relationships**

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

### **Objectives and Activities**

#### **Objects and Aims**

The objects of the company are specifically restricted to the following:

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing academies which shall offer a broad and balanced curriculum and which shall include:

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

#### **Public Benefit**

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

### **Strategic Report**

#### **Achievements and performance**

St. Oswald's Church of England Primary Academy, Christ Church Church of England Primary Academy and St Philip's Church of England Primary Academy operated as Trust Academies throughout the year. A new Secondary school, Bradford Forster Academy, was being established to open on 1 September 2015.

All three primary schools are sponsored academies and were either in an Ofsted inadequate category or had recently moved out of Ofsted category at the point of joining BDAT. During 2014-15 all schools have seen improvements, moving to a "requires improvement" category and hitting at least one national floor standard. Additional investment has been made at individual school level to drive improvements from various sources including funding awarded from DfE for School to School support bids and from sponsored academy conversion grants. This has included bought in support from a number of teaching school alliances and NLES including Outwood Grange and Greetlands Academy. The Trust has appointed a Primary Achievement Director, starting September 1st to work to further drive school improvement and build consistency of practice across the primary academies in the Trust. In the short term the post holder will also provide critical challenge and support to the new secondary academy which opened in September 2015 with a year 7 cohort only.

## **Bradford Diocesan Academies Trust**

### **Trustees' Report for the year ended 31 August 2015 (continued)**

#### **Achievements and performance (continued)**

Accountability for standards and performance has also been strengthened at MAT governance level with the appointment of trustees with primary and secondary expertise. The Board has established primary and secondary clusters to oversee more directly school improvement at school cluster level.

#### **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.

#### **Key financial performance indicators**

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

- Managing school budgets with funding available. This is demonstrated and reported in our accounts.
- Managing the new school pre-opening funding to open Bradford Forster Academy on time and within budget. This is also demonstrated and reported in our accounts and the build project itself has been complimented as representing very good value for money.
- Building and growing a reserve fund through the school retention slice to allow the Trust to develop central operations capacity and school improvement capacity. This has been successful and has enabled the Trust to grow to a core team of six and invest in significant additional primary school improvement support.

The Trust has also worked to improve central financial, operational and risk management processes to enable more effective management of the business. Strict budgetary controls are in place and performance is managed against budgets.

#### **Financial review**

The results of the period are considered satisfactory. The amount deducted from operational reserves amounted to £231,000, part of which was due to capital expenditure incurred in the set up of Bradford Forster Academy. The increase in Fixed Asset reserve is mainly represented by the recognition of a new building on long lease from the Local Authority. The board delegate, through the scheme of delegation, the day to day financial management of each school to the Local Governing Body and the Principal. Budgets are approved by the board and actual outcomes are reviewed on a regular basis. The principal source of funding is through statutory grants from the DFE and through the LEA. Each school principal ensures that funds targetted for particular pupils are spent on appropriate resources.

#### **Reserves policy**

The trustees of the Bradford Diocesan Academies Trust monitor the reserve levels of the trust on a regular basis. These reviews encompass the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The policy is to allocate all eligible expenditure against restricted income in the first instance, transferring any funds applied in the acquisition of assets to the fixed asset funds. Schools may retain up to 15% of annual income. Any excess over that amount has to be justified by reference to future spending plans. The trust aims to build up a reserve to be in a position to respond quickly to development of the trust or should an educational need arise for school improvement expenditure or building maintenance which can neither be funded from current income or insurance claim. The level of such reserve has not been quantified but will be in the order of £500,000.

#### **Investment policy**

The Accounting Officer will review cash flow, discuss current investment opportunities with the Academies Trust Bank Manager and make recommendations to Governors on investment proposals.

#### **Plans for Future Periods**

The trustees will continue to maintain the improvement of standards at each academy both directly and the through the central Trust office. A primary focus will be continuing to drive improvement and manage performance within our open academies, however the company also 2015-16 will see further growth in the portfolio of schools we support. As of October 2015 we already have one academy order for a convertor secondary academy, and two further governor resolutions from local schools seeking to join BDAT. The Trust will look to develop the central office team further to support the growing Trust while maintaining high quality support and driving economy of scale savings.

## **Bradford Diocesan Academies Trust**

### **Trustees' Report for the year ended 31 August 2015 (continued)**

#### **Auditor**

Insofar as the trustees are aware:

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

Trustees' Report, incorporating a strategic report, was approved by order of the members of the board on 17 December 2015 and signed on its behalf by:



**Venerable Doctor David Lee**  
Trustee

# Bradford Diocesan Academies Trust

## Governance Statement

### Scope of Responsibility

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

The staff, under the direction of the CEO as Accounting Officer, hold the day-to-day responsibility for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Bradford Diocesan Academies Trust and the Secretary of State For Education.

Financial matters are dealt with by a Finance Committee consisting of Board and staff members who are responsible for ensuring that internal controls are implemented and that risks are kept under review.

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 9 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Director	Meetings attended	Out of a possible
Venerable Doctor David Lee (Chairman)	9	9
Mr Anthony Hesselwood	7	9
Mr John Watts	6	9
Ms Carol Dewhurst	8	9
Mr Philip Turner	9	9
Reverend Canon Denise Poole (appointed 18 October 2014)	4	7
Reverend John Fredrick Butler (resigned 18 October 2014)	1	1
Mrs Eileen Fitzpatrick (appointed 4 February 2015)	6	6
Mrs Catherine Wilson (appointed 20 July 2015)	1	1

The board undertook a skills audit and as a result, the board have recruited an educational and HR specialist. The board is seeking to appoint a National Leader of Governance within the near future. The board has now expanded to a constitution of 10 trustees and also appointed a successor chair and vice-chair from January 2016.

Each academy has a Local Governing Body which have some delegated powers as defined in a Scheme of Delegation. The trustees believe the current governance structure is appropriate to the size of the academies trust and acknowledge that this will be developed over time as the number of academies in the trust increases. No Governance reviews have taken place during the year but the trust is intending to carry a review out in the next financial year.

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

Finance & Audit Committee	Meetings attended	Out of a possible
Mr Anthony Hesselwood	3	3
Mr John Watts	3	3
Ms Carol Dewhurst	2	3
Mrs Shazia Bashir	3	3



## **Bradford Diocesan Academies Trust**

### **Governance Statement (continued)**

#### **Review of Value for Money**

As accounting officer, the chief executive 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 taxpayers resources received.

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

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

The Academies continue to generate income from letting out the premises out of school hours. Facilities have been hired to trade bodies and educational groups to raise additional revenue.

The Trust ensures that any surplus monies are actively managed and invested in appropriate interest bearing accounts.

#### **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 ongoing process designed to identify and prioritise the risks to the achievement of the School Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bradford Diocesan Academies Trust for the period ended 31 August 2015 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

## **Bradford Diocesan Academies Trust**

### **Governance Statement (continued)**

#### **The Risk and Control Framework**

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

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

The board of trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the trustees have appointed Anthony Peter Hesselwood FCA, a non-executive trustee, as Chief Financial Officer (CFO).

The CFO's role includes giving advice on financial matters and performing a range of checks on the School Trust's financial systems. The CFO will report to the board of trustees, through the finance and audit committee, on the operation of the systems of control and on the discharge of the board of trustee's financial responsibilities.

Internal audit inspections have been carried out in each school to evaluate the systems relating to payroll and HR, cash handling and purchasing. Systems are being developed and training has been given to address weaknesses identified.

#### **Review of effectiveness**

As Accounting Officer, the company secretary has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the external auditor;
- the financial management and governance self assessment process; and
- the work of the executive managers within the School 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 the review of the system of internal control by the Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 17 December 2015 and signed on its behalf by:

**Venerable Doctor David Lee**  
Chairman

**Ms Carol Dewhurst**  
Accounting Officer

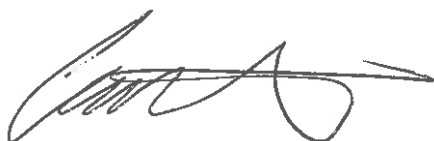
## **Bradford Diocesan Academies Trust**

### **Statement of Regularity, Propriety and Compliance**

As accounting officer of Bradford Diocesan Academies Trust I have considered my responsibility to notify the Academy Trust's board of directors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



**Carol Dewhurst**  
Accounting Officer

17 December 2015

## **Bradford Diocesan Academies Trust**

### **Statement of Trustees' Responsibilities**

The trustees (who act as governors of Bradford Diocesan Academies Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable laws 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 the EFA/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 17 December 2015 and signed on its behalf by:



**Venerable Doctor David Lee**

Trustee

## **Bradford Diocesan Academies Trust**

### **Independent Auditors' Report to the members of Bradford Diocesan Academies Trust**

We have audited the financial statements of Bradford Diocesan Academies Trust for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

#### **Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on financial statements**

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 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice ;
- have been prepared in accordance with the requirements of the Companies Act 2006;
- have been properly prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report (which includes the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Bradford Diocesan Academies Trust**

### **Independent Auditors' Report to the members of Bradford Diocesan Academies Trust**

#### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

**Roland Clark FCA, DChA**

**Senior Statutory Auditor**

For and on behalf of: BHP Clough & Company LLP, Statutory Auditor

*BHP Clough & Company LLP*

BHP Clough & Company LLP, Statutory Auditor

New Chartford House

Centurion Way

Cleckheaton

Bradford

West Yorkshire

BD19 3QB

18 December 2015

## **Bradford Diocesan Academies Trust**

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

In accordance with the terms of our engagement letter dated 7 November 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bradford Diocesan Academy Trust during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Bradford Diocesan Academies Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Bradford Diocesan Academies Trust and the EFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bradford Diocesan Academies Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of Bradford Diocesan Academies Trust's Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Bradford Diocesan Academies Trust's funding agreement with the Secretary of State for Education dated October 2012 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

#### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. 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 conclusions includes:

- checking that the academy trust's activities are consistent with its framework and its charitable objectives,
- checking that governors and key staff have disclosed their interest in related parties, discussing the same with management and reviewing transactions during the period for undisclosed related party transactions,
- checking that any related party transactions during the period 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

## **Bradford Diocesan Academies Trust**

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


#### **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 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Roland Clark FCA, DChA**

**Senior Statutory Auditor**

For and on behalf of: BHP Clough & Company LLP, Statutory Auditor

A handwritten signature in black ink that reads "BHP Clough & Company LLP". The signature is written in a cursive, flowing style.

BHP Clough & Company LLP, Statutory Auditor

New Chartford House

Centurion Way

Cleckheaton

Bradford

West Yorkshire

BD19 3QB

**18 December 2015**



# Bradford Diocesan Academies Trust

## Statement of Financial Activities for the year ended 31 August 2015 (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total 2015 £000	Total 2014 £000 <i>(as restated)</i>
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Transfer on conversion	2	-	-	-	-	2,062
Voluntary income	2	11	-	12,347	12,358	1,644
Activities for generating funds	3	13	-	-	13	13
Investment income	4	4	73	-	77	16
<i>Incoming resources from charitable activities:</i>						
Funding for the academy trust's educational operations	5	-	5,363	126	5,489	4,265
Other income	6	25	-	-	25	102
<b>Total incoming resources</b>		<b>53</b>	<b>5,436</b>	<b>12,473</b>	<b>17,962</b>	<b>8,102</b>
<b>Resources expended</b>						
<i>Cost of generating funds:</i>						
Fundraising trading		-	-	-	-	5
<i>Charitable activities</i>						
Academy Trust educational operations	7	-	5,405	155	5,560	3,845
<i>Governance Costs</i>	8	-	21	-	21	10
<b>Total resources expended</b>		<b>-</b>	<b>5,426</b>	<b>155</b>	<b>5,581</b>	<b>3,860</b>
Gross transfers between funds		(284)	(224)	508	-	-
<b>Net income for the year</b>		<b>(231)</b>	<b>(214)</b>	<b>12,826</b>	<b>12,381</b>	<b>4,242</b>
<b>Other recognised gains and losses</b>						
Surplus on revaluation		-	-	411	411	-
Defined benefit pension scheme liabilities transferred		-	-	-	-	(120)
Actuarial gains on defined benefit pension scheme		-	(139)	-	(139)	(209)
<b>Net movement in funds</b>		<b>(231)</b>	<b>(353)</b>	<b>13,237</b>	<b>12,653</b>	<b>3,913</b>
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2014		<b>410</b>	<b>(190)</b>	<b>5,670</b>	<b>5,890</b>	<b>1,977</b>
Total funds carried forward at 31 August 2015		<b>179</b>	<b>(543)</b>	<b>18,907</b>	<b>18,543</b>	<b>5,890</b>

**Bradford Diocesan Academies Trust**  
**Company number 08258994**

**Balance Sheet as at 31 August 2015**

		<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
				<b>(as restated)</b>	
	Notes				
<b>Fixed assets</b>					
Tangible assets	<b>14</b>		18,861		5,670
<b>Current assets</b>					
Debtors	<b>15</b>	173		352	
Cash at bank and in hand		<u>1,740</u>		<u>751</u>	
		1,913		1,103	
<b>Current Liabilities</b>					
Creditors: amounts falling due within one year	<b>16</b>	<u>(1,317)</u>		<u>(199)</u>	
<b>Net current assets</b>			<u>596</u>		<u>904</u>
<b>Total assets less current liabilities</b>			19,457		6,574
Creditors: Amounts falling due after more than one year	<b>17</b>		(164)		-
<b>Net assets excluding pension liability</b>			<u>19,293</u>		<u>6,574</u>
Pension scheme liability	<b>18</b>		(750)		(684)
<b>Net assets including pension liability</b>			<u>18,543</u>		<u>5,890</u>
<b>Representing</b>					
<b>Restricted funds</b>					
- General fund		207		403	
- Property development fund		18,907		5,670	
- School improvement fund		-		91	
- Pension fund		<u>(750)</u>		<u>(684)</u>	
<b>Total restricted funds</b>			18,364		5,480
<b>Unrestricted Funds</b>					
- General fund	<b>26</b>		179		410
<b>Total unrestricted funds</b>					
<b>Total funds</b>			<u>18,543</u>		<u>5,890</u>

The financial statements on pages 16-35 were approved by the trustees and authorised for issue on 17 December 2015 and are signed on their behalf by:

**Venerable Doctor David Lee**  
Chairman of trustees

# Bradford Diocesan Academies Trust

## Cash flow statement for the year ended 31 August 2015

		<b>2015</b>	<b>2014</b>
		<b>£000</b>	<b>£000</b>
	<b>Notes</b>		
<b>Net cash inflow/(outflow) from operating activities</b>	<b>21</b>	<b>1,471</b>	395
Return on investments and servicing of finance	<b>22</b>	<b>4</b>	2
Capital expenditure	<b>23</b>	<b>(486)</b>	(89)
<b>Increase in cash in the year</b>	<b>24</b>	<b>989</b>	308
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September 2014		<b>751</b>	443
<b>Net funds at 31 August 2015</b>		<b>1,740</b>	751

# Bradford Diocesan Academies Trust

## Notes to the Financial Statements for the year ended 31 August 2015

### 1 Accounting Policies

#### Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable UK Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' (SORP 2005), the Academies Accounts Direction 2014 to 2015 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### Going Concern

The directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The directors make this assessment in respect of a period of one year from the date of approval of the financial statements.

#### Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants receivable**

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance sheet in the restricted property development fund.

- **Sponsorship Income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

- **Donations**

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

- **Other income**

Other income is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

- **Donated Services and Gifts in Kind**

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust is material and can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.

# Bradford Diocesan Academies Trust

## Notes to the Financial Statements for the year ended 31 August 2015

### 1 Accounting Policies (continued)

#### Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Costs of Generating Funds**

These are costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

- **Charitable activities**

These are the costs incurred on the Academy Trust's educational operations.

- **Governance Costs**

These include the costs attributable to formation and the company's compliance with constitutional and statutory requirements, including audit, strategic management and directors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

#### Tangible Fixed Assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

- Long Leasehold buildings 100 years
- Fixtures, fittings and equipment 5 years
- ICT equipment 3 years

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

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

#### Land and buildings

The land and buildings that two of the Academies operate from are properties held in trust by The Leeds Diocesan Board of Finance (LDBF). They are held in trust for the delivery of education and are made available for St Oswald's Church of England Primary Academy and Christ Church Church of England Primary Academy. In accordance with the recommendations of the EFA the land and buildings are recognised as though they were held on a long lease at a market rent.

# **Bradford Diocesan Academies Trust**

## **Notes to the Financial Statements for the year ended 31 August 2015**

### **1 Accounting Policies (continued)**

#### **Leased Assets**

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

#### **Taxation**

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

#### **Pension Benefits**

Retirement benefits to the employees of the Academy Trust are provided by the Teachers' Pension Scheme (TPS) and the West Yorkshire Pension Scheme (WYPS). These are defined benefit schemes and the assets are held separately from those of the academy trust.

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 quinquennial valuations using a prospective benefit method. As stated in Note 24, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The WYPS 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other 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 directors.

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 funds are restricted for the purposes determined by the Education Funding Agency and Department for Education.

## Bradford Diocesan Academies Trust

### Notes to the Financial Statements for the year ended 31 August 2015

<b>2 Voluntary Income</b>	<b>Unrestricted Funds £000</b>	<b>Restricted funds £000</b>	<b>Total 2015 £000</b>	<b>Total 2014 £000</b>
Transfer on conversion	-	-	-	2,062
Donated fixed assets	-	12,347	12,347	1,642
Other donations	11	-	11	2
	<b>11</b>	<b>12,347</b>	<b>12,358</b>	<b>3,706</b>
<b>3 Activities for Generating Funds</b>	<b>Unrestricted Funds £000</b>	<b>Restricted funds £000</b>	<b>Total 2015 £000</b>	<b>Total 2014 £000</b>
Fundraising	1	-	1	6
Other	12	-	12	7
	<b>13</b>	<b>-</b>	<b>13</b>	<b>13</b>
<b>4 Investment income</b>	<b>Unrestricted Funds £000</b>	<b>Restricted funds £000</b>	<b>Total 2015 £000</b>	<b>Total 2014 £000</b>
Bank interest	4	-	4	2
Other finance income	-	73	73	14
	<b>4</b>	<b>73</b>	<b>77</b>	<b>16</b>
<b>5 Funding for the academy trust's Educational Operations</b>	<b>Unrestricted Funds £000</b>	<b>Restricted funds £000</b>	<b>Total 2015 £000</b>	<b>Total 2014 £000</b>
<b>DfE / EFA Grants</b>				
General annual Grant	-	4,413	4,413	3,178
Start up Grant	-	-	-	168
School Improvement Grant	-	-	-	45
Capital Grants	-	102	102	150
Other DfE/EFA Grants	-	382	382	617
	<b>-</b>	<b>4,897</b>	<b>4,897</b>	<b>4,158</b>
<b>Other Grants</b>	<b>-</b>	<b>592</b>	<b>592</b>	<b>107</b>
	<b>-</b>	<b>5,489</b>	<b>5,489</b>	<b>4,265</b>

## Bradford Diocesan Academies Trust

### Notes to the Financial Statements for the year ended 31 August 2015

#### 6 Other income generated from educational operations

	Unrestricted Funds £000	Restricted funds £000	Total 2015 £000	Total 2014 £000
Miscellaneous income	25	-	25	102

#### 7 Charitable Activities

	Total 2015 £000	Total 2014 £000
<b>Direct Costs - educational operations</b>		
Teaching and educational support staff costs	3,161	1,970
Technology costs	28	38
Educational supplies	250	228
Staff development	55	63
Educational consultancy	207	207
Other direct costs	41	26
	<u>3,742</u>	<u>2,532</u>
<b>Support Costs - educational operations</b>		
Support staff costs	686	561
Depreciation	155	53
Technology costs	84	33
Recruitment and support	34	17
Maintenance of premises and equipment	135	89
Rent and rates	30	73
Energy costs	79	51
Cleaning	64	14
Insurance	64	29
Security	7	6
Catering	259	158
Professional fees	221	192
Other support costs	64	37
	<u>1,818</u>	<u>1,313</u>
<b>Total direct and support costs</b>	<u><b>5,560</b></u>	<u><b>3,845</b></u>



# Bradford Diocesan Academies Trust

## Notes to the Financial Statements for the year ended 31 August 2015

### 8 Governance Costs

	<b>Total 2015 £000</b>	<b>Total 2014 £000</b>
Clerking and SLA	8	2
Indemnity insurance	3	1
Audit	8	6
Trustees reimbursed expenses	2	1
	<b>21</b>	<b>10</b>

### 9 Resources Expended

	<b>Staff Costs £000</b>	<b>Non pay Expenditure Premises £000</b>	<b>other £000</b>	<b>Total 2015 £000</b>	<b>Total 2014 £000</b>
Cost of generating income	-	-	-	-	5
Academies' educational activity					
Direct Costs	3,161	315	1,398	4,874	2,532
Support costs	686	-	-	686	1,313
	<b>3,847</b>	<b>315</b>	<b>1,398</b>	<b>5,560</b>	<b>3,850</b>
Governance Costs	-	-	21	21	10
	<b>3,847</b>	<b>315</b>	<b>1,419</b>	<b>5,581</b>	<b>3,860</b>

### Net income/(expenditure) for the period includes:

	<b>2015 £000</b>	<b>2014 £000</b>
Operating leases	13	12
Fees payable to auditor	8	6

# Bradford Diocesan Academies Trust

## Notes to the Financial Statements for the year ended 31 August 2015

### 10 Staff Costs

#### a. Staff costs

	2015 £000	2014 £000
Wages and salaries	3,021	2,065
Social security costs	194	164
Pension costs	378	302
	<u>3,593</u>	<u>2,531</u>
Supply costs	266	125
	<u><b>3,859</b></u>	<u><b>2,656</b></u>

#### b. Staff numbers

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

	2015 No.	2014 No.
<b>Charitable Activities</b>		
Teachers	44	44
Administration and support	69	49
Management	11	-
	<u><b>124</b></u>	<u><b>93</b></u>

#### c. Higher paid staff

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

	2015 No.	2014 No.
£60,001 - £70,000	2	1
£70,001 - £80,000	1	-

All of the above employees participated in the Teachers' Pension Scheme.

### 11 Central services

The academy trust has provided the following central services to its academies during the year.

Management and Governance oversight  
Educational support Services  
Financial services

The trust charges for these services as a percentage (3% - 5%) of GAG income.

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

	2015 £000	2014 £000
St Oswalds' C of E Primary Academy	105	65
Christ Church Academy	41	26
St Philips' C of E Primary Academy	50	2
Bradford Forster Academy (pre-opening)	10	-
	<u><b>206</b></u>	<u><b>93</b></u>

## Bradford Diocesan Academies Trust

### Notes to the Financial Statements for the year ended 31 August 2015

#### 12 Related Party Transactions - Trustee's Remuneration and Expenses

One of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Chief Executive only receives remuneration in respect of services provided undertaking the role of Chief Executive under her contract of employment, and not in respect of her role as a trustee. The value of trustees' remuneration and other benefits was as follows:

Ms Carol Dewhurst (Chief Executive and trustee):

Remuneration £50,000 - £55,000 (2014: £50,000 - £55,000)

Employer's pension contributions £5,000 - £10,000 (2014: £5,000 - £10,000)

During the period ended 31 August 2015, travel and subsistence expenses totalling £4,084 (2014: £1,100) were reimbursed or paid directly to 4 trustees (2014: 4 trustees).

#### 13 Trustee, Governors' and Officers' Insurance

In accordance with normal commercial practice the academy trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2015 was £2,638 (2014: £1,001).

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

#### 14 Tangible Fixed Assets

	Leasehold Land and Buildings £000	Assets under Construction £000	Furniture and Equipment £000	Computer Equipment £000	Total £000
<b>Cost</b>					
At 1 September 2014	5,535	83	18	104	5,740
Additions	12,062	(83)	641	315	12,935
Disposals	-	-	-	-	-
Revaluation	411	-	-	-	411
At 31 August 2015	18,008	-	659	419	19,086
<b>Depreciation</b>					
At 1 September 2014	51	-	-	19	70
Charged	57	-	61	37	155
Disposals	-	-	-	-	-
At 31 August 2015	108	-	61	56	225
<b>Net book values</b>					
At 31 August 2015	17,900	-	598	363	18,861
At 31 August 2014	5,484	83	18	85	5,670

Additions to Leasehold, land and buildings include:

Entering into a lease agreement with City Of Bradford Metropolitan District Council for the premises:

Bradford Forster Academy, Fenby Avenue, Bradford. The premises were occupied from 1 July 2015 and will be the subject of a lease for 125 years at a peppercorn rent. Market Value £11,787,529.

Improvement expenditure at St Oswald's to the cost of £170,480.

## Bradford Diocesan Academies Trust

### Notes to the Financial Statements for the year ended 31 August 2015

#### 15 Debtors

	2015 £000	2014 £000
Trade debtors	-	116
VAT recoverable	94	214
Prepayments and accrued income	79	22
	<u>173</u>	<u>352</u>

#### 16 Creditors : Amounts falling due within one Year

	2015 £000	2014 £000
Trade creditors	528	118
Taxation and social security	60	-
Other creditors	29	30
Accruals and deferred income	700	51
	<u>1,317</u>	<u>199</u>

#### Deferred Income

	2015 £000
Deferred Income as at 1st September 2014	-
Resources deferred in the year	601
Amounts released from previous years	-
Deferred income at 31 August 2015	<u>601</u>

#### 17 Creditors : Amounts falling due after one Year

	2015 £000	2014 £000
Other creditors	164	-
	<u>164</u>	<u>-</u>

## Bradford Diocesan Academies Trust

### Notes to the Financial Statements for the year ended 31 August 2015

#### 18 Funds

	Balance at 1 September 2014	Incoming Resources	Resources Expended	Gains, Losses and Transfers	Balance at 31 August 2015
	£000	£000	£000	£000	£000
<b>Restricted general funds</b>					
General Annual Grant	255	4,413	(4,210)	(224)	234
Other annual grants	-	875	(902)	-	(27)
Start up Grant	148	75	(223)	-	-
School improvement	91	-	(91)	-	-
Pension reserve	(684)	73	-	(139)	(750)
	<u>(190)</u>	<u>5,436</u>	<u>(5,426)</u>	<u>(363)</u>	<u>(543)</u>
<b>Restricted fixed asset funds</b>					
DfE/ EFA capital grants	140	102	(36)	44	250
Local authority capital sponsorship	2,033	12,347	(20)	-	14,360
Revaluation surplus	-	-	(4)	411	407
Capital expenditure from GAG/unrestricted	-	24	(62)	508	470
Private sector capital sponsorship	3,497	-	(33)	(44)	3,420
<b>Total restricted funds</b>	<u>5,670</u>	<u>12,473</u>	<u>(155)</u>	<u>919</u>	<u>18,907</u>
<b>Unrestricted reserves</b>					
General	410	53	-	(284)	179
<b>Total unrestricted funds</b>	<u>410</u>	<u>53</u>	<u>-</u>	<u>(284)</u>	<u>179</u>
<b>Total funds</b>	<u>5,890</u>	<u>17,962</u>	<u>(5,581)</u>	<u>272</u>	<u>18,543</u>

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 2015.

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

#### General Annual Grant

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 2015.

#### Start up Grant

Funds provided by the LEA for pre-opening costs of Bradford Forster Academy

#### School Improvement

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

#### Other annual grants

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

## Bradford Diocesan Academies Trust

### Notes to the Financial Statements for the year ended 31 August 2015

#### 18 Funds (continued)

Fund balances at 31 August 2015 were allocated as follows:

	<b>Total £000</b>
St Oswalds C of E Primary Academy	285
St Philips Church of England Primary Academy	1
Christ Church Church of England Primary Academy	36
Central services	64
Total before fixed assets and pension reserve	386
Restricted fixed asset fund	18,907
Pension reserve	(750)
<b>Total</b>	<b>18,543</b>

#### Analysis of academies by cost

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

	<b>Teaching and Educational Support Staff Costs £000</b>	<b>Other Support Staff Costs £000</b>	<b>Educational Supplies £000</b>	<b>Other Costs (excluding Depreciation) £000</b>	<b>Total £000</b>
St. Oswalds C of E Primary Academy	1,685	214	27	263	2,189
St Philips C of E Primary Academy	786	145	87	521	1,539
Christ Church C of E Primary Academy	563	153	41	234	991
Central services	126	186	95	300	707
	3,160	698	250	1,318	5,426

#### 19 Analysis of net assets between Funds

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Restricted Fixed Asset Funds £000</b>	<b>Total 2015 £000</b>
Tangible fixed assets	-	-	18,861	18,861
Current assets	179	1,688	46	1,913
Current liabilities	-	(1,317)	-	(1,317)
Non-current liabilities	-	(164)	-	(164)
Pension scheme liability	-	(750)	-	(750)
	179	(543)	18,907	18,543

#### 20 Capital Commitments

	<b>2015 £000</b>	<b>2014 £000</b>
Contracted for but not provided in the financial statements	-	95

# Bradford Diocesan Academies Trust

## Notes to the Financial Statements for the year ended 31 August 2015

### 21 Financial Commitments

At 31 August 2015 the academy had annual commitments under non-cancellable operating leases as follows:

<b>Other</b>	<b>2015 £000</b>	<b>2014 £000</b>
Expiring within 1 year	2	-
Expiring with 2 to 5 years	9	10
Expiring in over 5 years	1	1

### 22 Reconciliation of net income to net cash inflow from operating activities

	<b>2015 £000</b>	<b>2014 £000</b>
Net income	12,381	4,242
Depreciation	155	70
Decrease/(Increase) in debtors	179	(212)
Increase in creditors	1,282	105
FRS 17 pension cost less contributions payable (note 26)	-	1
FRS 17 pension finance income (note 26)	73	14
Capital grants from DfE and other capital income	(12,599)	(3,825)
Net cash provided by Operating Activities	1,471	395

### 23 Returns on investments and servicing of finance

	<b>2015 £000</b>	<b>2014 £000</b>
Interest received	4	2
<b>Net cash inflow from returns on investments and servicing of finance</b>	<b>4</b>	<b>2</b>

### 24 Capital expenditure and financial investment

	<b>2015 £000</b>	<b>2014 £000</b>
Purchase of tangible fixed assets	(12,935)	(3,914)
Capital grants from DfE/EFA	102	150
Transfer of fixed assets on conversion	12,347	3,675
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>(486)</b>	<b>(89)</b>

### 25 Analysis of change in net funds

	<b>At 1 September 2014 £000</b>	<b>Cash flows £000</b>	<b>At 31 August 2015 £000</b>
Cash in hand and at bank	751	989	1,740
<b>Total cash and cash equivalents</b>	<b>751</b>	<b>989</b>	<b>1,740</b>

### 26 Members' liability

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

**Notes to the Financial Statements for the year ended 31 August 2015**

**27 Pension and similar obligations**

The Academy'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 defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 August 2013.

There were no outstanding or prepaid contributions at either the beginning or 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 2015, by the Teachers' Pension Scheme Regulations 2015. Membership is automatic for full time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Not less than every four years 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 (currently 14.1%))
- 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.

**Valuation of the Teachers' Pension Scheme (continued)**

- 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%.

During the year the employer contribution rate was 14.1% The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £333,787 (2014: £155,456).

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

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