

Bradford Diocesan Academies Trust

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended

31 August 2019

Company Registration Number: 08258994

Bradford Diocesan Academies Trust

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Bradford Diocesan Academies Trust

Reference and Administrative Details

Members

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

Directors/Trustees

Mrs Theresa Mason (Chair of Trustees)
Mr Bill Henry (Vice Chair of Trustees)
Mr Anthony Hesselwood
Ms Carol Dewhurst (*ex-officio*)
Mrs Catherine Wilson (*resigned 23 February 2019*)
Mrs Denise Sterling
Mrs Nurjahan Ali Arobi
Mr Stephen Emsley
Mr Roland Clark
Mrs Pauline Hagen (*resigned 13 October 2019*)
Mrs Ruby Bhatti
Mrs Judith Kirk (*resigned 20 November 2018*)
Mr Peter Addison-Child (*appointed 27 September 2018*)
Mr Neil Diamond (*appointed 18 July 2019*)
Mrs Alison Grant (*appointed 18 July 2019*)

Senior Management Team

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

Company Name

Bradford Diocesan Academies Trust

Principal and Registered Office

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

Company Registration Number

08258994 (England & Wales)

Bradford Diocesan Academies Trust

Reference and Administrative Details (continued)

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

Trustees' Report

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

As of August 2019, Bradford Diocesan Academies Trust supports seventeen academies (four secondary and thirteen primary) across the Bradford district. Its academies have a combined pupil capacity of 9,435 and a roll of 8,801 in the school census, with an additional 233 in nursery, on 3 October 2019.

Structure, Governance and Management

Constitution

The trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association dated 18 October 2012 and updated by special resolution on the 18 October 2018 are the primary governing documents of the trust and the company registration number is 08258994.

The trustees of Bradford Diocesan Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Bradford Diocesan Academies Trust and includes the following academies:

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

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

Members' Liability

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

Trustees' Indemnities

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

Bradford Diocesan Academies Trust

Trustees' Report (continued)

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

The charitable company pays a premium of £4,600 (2018: £4,500) to provide indemnity insurance of £5m for the trustees

Method of Recruitment and Appointment or Election of Trustees

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

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

A programme of induction by academy visits and familiarisation with the objects and procedures is offered to new trustees and appropriate training is made available. A full induction pack including Code of Conduct, role descriptors, Scheme of Delegation and support documentation is also provided to all trustees at the point of appointment. The Trust employs a central Head of Governance who supports trustees and governors in their roles. The Trust has a central clerking service to provide professional support in all trustee and governor meetings. The Chair of the Trust conducts annual self-evaluative reviews with each trustee.

Organisational Structure

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

The main board continues to meet at least half-termly to oversee growth, education standards and financial accountability, while detailed scrutiny has been delegated to subject-focussed Board committees, each made of up at least four trustees overseeing primary, secondary and finance/resources. An Audit Committee met twice during 2018-19 and is chaired by an independent Chair who is not a trustee. This committee provides independent quality assurance and scrutiny for all areas of trustee activity and will report directly to the members of the trust at future AGMs.

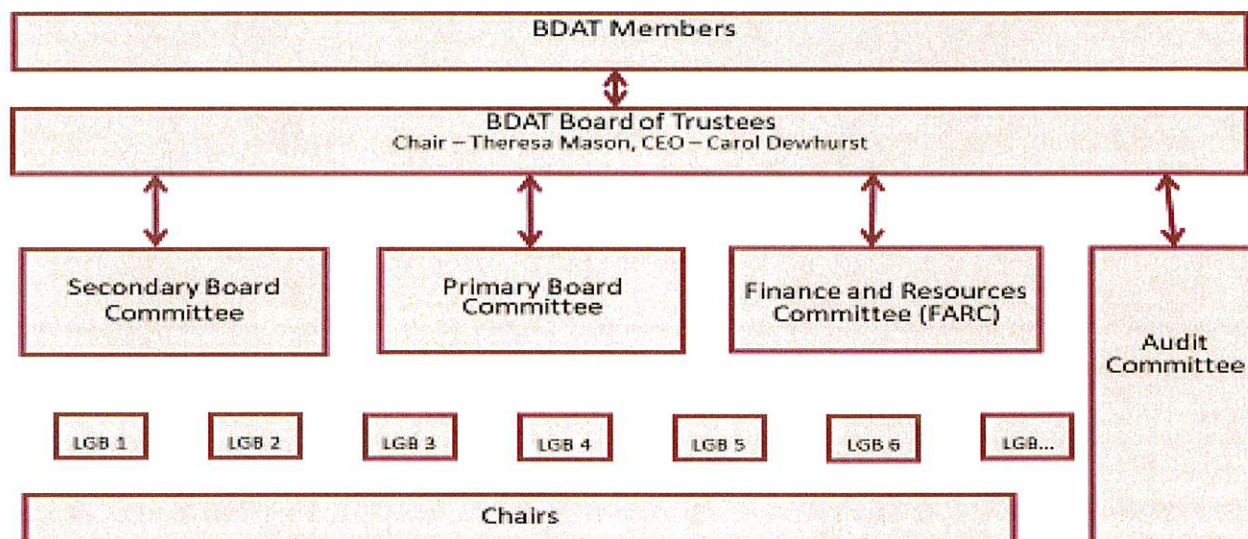
As a trust we remain committed to retaining local governing bodies for each of our schools and have established further systems for the sharing of learning, including a formal Chairs network. The trust scheme of delegation continues to be refreshed annually to ensure continuity of governance across schools.

Bradford Diocesan Academies Trust

Trustees' Report (continued)

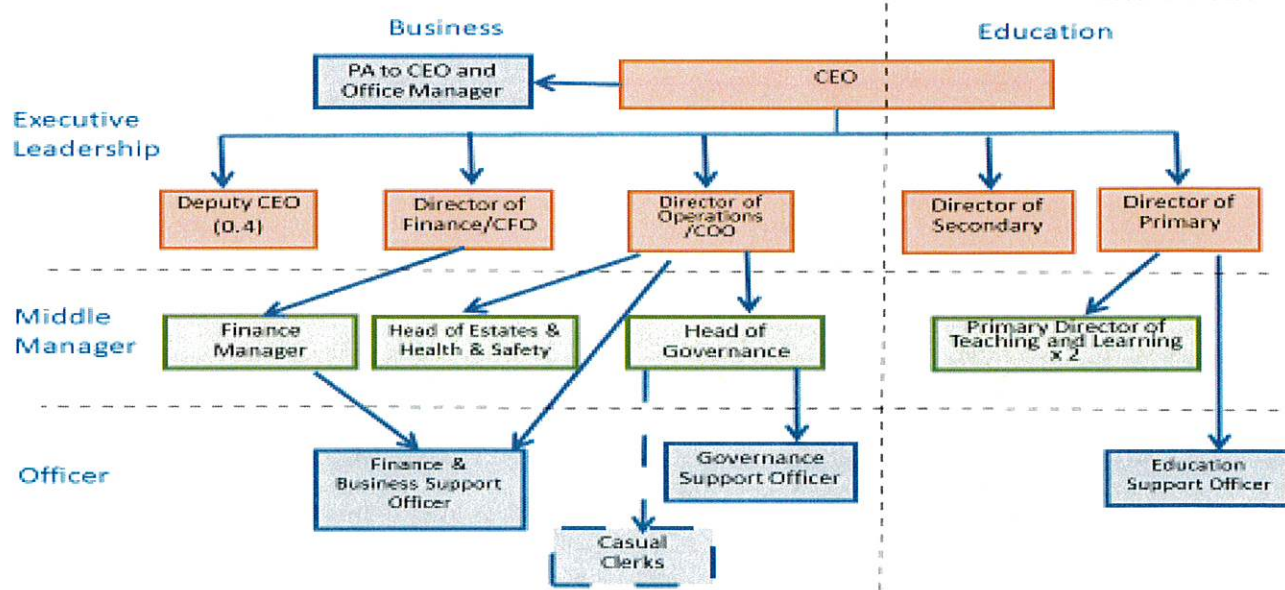
Bradford Diocesan Academies Trust Governance Structure 2018-19

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



Bradford Diocesan Academies Trust Central Team 2018-19

BDAT Central Team



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

Bradford Diocesan Academies Trust

Trustees' Report (continued)

Arrangements for Setting Pay and Remuneration of Key Management Personnel

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

All central staff and head teacher performance management and remuneration decisions are directly overseen by the trust board. Central trust senior leaders are directly line managed by the Chief Executive Officer and a Trustee (or in the case of the Chief Executive Officer by two trustees). Pay decisions for all central team staff are referred to the Board after due consideration by the Remuneration Committee

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

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

Trade Union Facilities Time

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

Relevant Union Officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2.0	2.0

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Provide total cost of facility time	£32k
Provide the total pay bill	£38m
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.084%

Paid trade union activities

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

Trustees' Report (continued)

Related Parties and Other Connected Charities and Organisations

The charitable company is under the control of the Diocesan Board of Education of the Diocese of Leeds.

The trust Board have declared five related party transactions in our financial statements for the last three years. The first is the Diocese of Leeds for services to support the religious ethos and vision of the trust. The second is an at cost non-executive supply cover agreement with a company in which a trustee has an interest (this has had Education and Skills Funding Agency approval). The third is the Dales Academies Trust which the Deputy Chief Executive Officer (0.4 fte) is the substantive Chief Executive Officer (0.6 fte) of the Dales Academies Trust. The fourth and fifth are where trustees are trustees of a neighbouring trusts. All of these have been externally checked for conflicts of interest or financial impropriety and will continue to be monitored on an annual basis: other related party transactions are shown in note 26.

Principal Activities

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

Objectives and Activities

Objective and Aims

The objects of the company as set out in our Memorandum and Articles are specifically restricted to the following:

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

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

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

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

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

Public Benefit

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

The trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Bradford Diocesan Academies Trust

Trustees' Report (continued)

Strategic Report

Achievements and Performance

2018-2019 was a year of self-imposed consolidation for Bradford Diocesan Academies Trust. Since 2014 the trust has grown steadily from just three academies in 2014 to 17 schools in 2019. Over 50% of these schools (10 out of 17) were sponsored joining us following an inadequate judgement from OFSTED, usually combined with low results, high staff turbulence or financial concerns. As a Board and executive team 2018-19 was agreed to be a much needed year of consolidation and stabilisation.

In October 2018, the BDAT Board agreed three key strategic targets for the trust for the year 2018-19:

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

2018-19 was another pleasing year for school performance broadly continuing our three-year steady upward trend in performance.

In the primary phase, the trust reached its targets in the vast majority of cases (17 out of 20 measures). Reading, Writing and Maths attainment has increased by 4% at key stage 1 (from 58% to 62%) and 5% at key stage 2 (from 50% to 55%) with nine out of thirteen schools improving at a greater rate than national at key stage 2. Phonics has improved by 4% in 2018 (from 76% to 80%).

Key stage 4 attainment dipped slightly across the trust this year, down 1% at 5+ from 35% to 34%. This is still a 4% rise on 2017 levels and is due to a dip in the performance at Buttershaw. Immanuel College and Belle Vue Girls continue to show a year-on-year improvement trend with results for Immanuel improving 10% since 2017. Combined attainment at 4+ also dropped by 1% across (from 57% to 56%) between 2019 and 2018, but this is again still above 2017 and previous figures. (NB. Unvalidated figures October 2019)

Progress is a positive picture across the three schools. Unvalidated Progress 8 measures places one school well above national at 0.6 (Belle Vue Girls), one school above average at 0.34 (Immanuel) and one school below average at -0.2 (BBEC). For BBEC this is a significant improvement on the published figure for 2018 of -0.52.

KS5 performance at Post 16 remained broadly as last year. One school improved from an average grade of C+ to B- (Immanuel), one school improved from D+ to C (Buttershaw) and one school maintained an average grade of C- (Belle Vue Girls). At the point of writing, there are no progress figures available. In vocational terms, two schools (Belle Vue Girls and Immanuel) improved their average applied grade from merit + to distinction – while Buttershaw dipped from merit + to merit.

The trust has also had significant success when participating in external inspections. Out of the four schools inspected two retained a good judgement and two moved to requires improvement (having been either internally or externally assessed as special measures at the point of conversion).

Bradford Diocesan Academies Trust

Trustees' Report (continued)

2. **Ensuring financial security:** Recognising budgets are tight, a priority for BDAT in 2018-19 was ensuring all our schools have three year balanced budgets and robust systems in place to ensure money is being spent appropriately. During 2018-19 we consulted on and completed the roll out of new BDAT employment contracts to 100% of our staff designed to help save money and provide us the freedom to set future terms and conditions including pay, which are affordable and within the controls of the MAT. We also continued our work to identify further cost savings for schools through a pilot of Integrated Curriculum Financial Planning and through further trust wide procurement in areas such as data management, asset management, human resources, and ICT.

3. **MAT of choice:** We also embarked on a number of projects across the MAT last year to make us an employer of choice. This included further work to raise the brand and profile of the trust and schools, maximising the leverage of the "member of the BDAT family brand". Activities included launching a trust wide CPD programme, Trust wide ITT strategy and investing in areas of development for our staff such as the BDAT LE pilot and development of a teacher and support staff career map. This will be a priority again for 2019-20. The actual impact of this work is yet to be fully realised however early figures do show that trust retention of staff improved from 20.4% of staff turnover in 2017-18 to 13.8% in 2019-20. We also appear to be filling the majority of vacant posts, most of the time and have generally seen a better and larger field of applications for new posts.

The trust has also had significant success when participating in external inspections. All four schools inspected either retained or Improved on their previous judgement or trust self-evaluation.

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

Bradford Diocesan Academies Trust

Trustees' Report (continued)

Key Financial Performance Indicators

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

- Managing the trust's budget and the relating situation in terms of financial soundness.
- Managing the new school pre-opening funding for the new academies joining the trust.
- Building and growing a reserve fund through the exploration of economies of scale and efficiencies to allow the trust to develop central operations capacity and school improvement capacity. This has been successful and has enabled the trust to grow to a core team of fourteen and invest in significant additional school improvement support.
- The trust has also worked to improve central financial, operational and risk management processes to enable more effective management of the business. Strict budgetary controls are in place and performance is managed against budgets.
- The trust has increased the scrutiny throughout 2018/19 with monthly management accounts and monthly matrices.

MAT Matrices

Staffing	Trust			Primary			Secondary		
	Budget	Aug-19	Bench	Budget	Aug-19	Bench	Budget	Aug-19	Bench
Spend on Teaching Staff % of Total Expenditure	48.24%	45.86%		45.35%	42.61%		53.41%	51.14%	
Spend on Education Support Staff % of Total Expenditure	12.54%	13.47%		20.57%	21.85%		8.32%	9.07%	
Spend on Admin & Clerical Staff % of Total Expenditure	6.86%	6.70%		4.82%	4.86%		5.68%	5.70%	
Spend on Premises Staff % of Total Expenditure	2.14%	2.18%		2.64%	2.70%		2.01%	2.03%	
Spend on Other Staff % of Total Expenditure	3.46%	2.62%		2.00%	1.33%		4.76%	3.74%	
Spend on Agency Staff % of Total Expenditure	0.55%	2.31%		0.92%	2.70%		1.02%	2.25%	
Spend on Staff % of Total Expenditure	74.16%	73.49%	71.9%	76.30%	76.06%	70.1%	75.21%	73.93%	72.0%
Non-Staff Expenditure									
Spend on Maintenance % of Total Expenditure	0.92%	1.00%	2.0%	1.14%	1.59%	1.9%	0.86%	0.69%	2.3%
Spend on Teaching Resources % of Total Expenditure	5.54%	6.45%	4.1%	4.89%	6.05%	3.7%	6.03%	6.81%	4.7%
Other Expenditure % of Total Expenditure	25.84%	26.51%		23.70%	23.94%		24.79%	26.07%	
Income									
GAG Funding as % of Total Income (incl. Pupil Premium)	87.58%	84.89%		89.75%	87.24%		93.56%	90.82%	
Other Funding as % of Total Income	3.59%	4.43%		6.17%	7.08%		2.16%	2.77%	
Other Income as % of Total Income	8.72%	10.59%		3.79%	5.48%		4.28%	6.38%	
Total Income Per Pupil	£6,007	£6,218	£6,201	£5,356	£5,495	£5,345	£5,989	£6,215	£6,499
Reserves									
In Year Reserves % Total Income	-0.36%	0.48%	-0.8%	0.44%	-0.19%	-4.8%	-0.02%	1.55%	-10.3%

Bradford Diocesan Academies Trust

Trustees' Report (continued)

Going Concern

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

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

Employees and Disabled Persons

As of 1 September 2019 the trust employs 1,353 staff. We are an equal opportunities employer across all roles within the trust.

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

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

The trust has published our 2019 gender pay gap report which shows a reducing gap position. The report does show that the trust has a larger than average gender pay gap however, this is contextualised by the demographic of the employees in that 79.7% (2018: 76.7%) of the workforce is female, and that there is a substantial skew in lower salaried jobs which are historically and predominantly occupied by females. The trust remains committed to the principle of equal pay regardless of gender, subject to the requirements of TUPE.

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

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

New employees who are disabled may also have particular needs which need to be accommodated for. These needs are catered for during the normal induction programme to support the new employees with additional needs to provide a welcoming environment e.g.a hearing loop for induction talks, accessible venues for induction activities and alternative methods of presenting information.

Bradford Diocesan Academies Trust

Trustees' Report (continued)

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

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

Financial Review

The majority of the trust's income is obtained from the ESFA in form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The trust also receives grants for fixed assets through DFC (Devolved Formula Capital), SCA (School Condition Allocation) and Little Extras (classified as DFC) from Education Skills and Funding Agency. Such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The trust has realised its planned growth with the addition of three primary schools during 2018-19. These were Cullingworth Village Primary School (Converted Sep 2018), Wycliffe C of E Primary School (Converted Nov 2018) and Shipley C of E Primary School (Converted Nov 2018).

During the period ended 31 August 2019 the trust had an in year surplus of £370k (2018: £1,022k). The balance of restricted general funds excluding pension is £40,550k (2018: £36,411k) and unrestricted funds of £4,195k (2018: £3,756k).

At 31 August 2019, the net book value of fixed assets was £39,606k (2018: £35,426k) and movements in tangible fixed assets shown on note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy. The fixed assets of the trust were stated in line with the policy of the National Society and Diocesan Board of Education where only Local Authority land and buildings are recognised as fixed assets. The Diocese land and buildings are available for education use and should be treated much like an operating lease. The assets of Buttershaw Business & Enterprise College Academy are under a PFI contract and therefore have no asset value.

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

Reserves Policy

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

The trust has a responsibility to hold reserves that mitigate potential risks against short term reductions in funding and/or income which would financially impact the cash flow of the trust. The level of reserves that the trust will aspire to hold will be between one and two months of the trust's expenditure (Range - £3m - £6m). The current value of unrestricted reserves are £4,195k (2018 - £3,756k).

Bradford Diocesan Academies Trust

Trustees' Report (continued)

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

The trust holds net current assets of £5,203k (2018: £4,741k) at the present time and is listed on the balance sheet. The trust held fund balances at 31 August 2019 of £26,922k (2018: £32,707k) comprising £40,509k (2018: £36,301k) of restricted fixed asset funds with an additional restricted revenue fund of £41k for the Mary Evason legacy fund and £4,195k (2018: £3,756k) of unrestricted funds. The pension reserve is in deficit as at 31 August 2019 in the sum of £17,823k (2018: £7,460k). This does not have an immediate cash flow impact but may result in increased contributions in future years. Parliament has agreed that the request of the Secretary of State for Education, to guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department of Education.

Investment Policy

The investment objectives of the trust are to:

Achieve a long-term real rate of return, net of inflation, to provide a source of capital to meet beneficiary and operational needs without subjecting the fund to large disinvestment that could impact the ability of the fund to meet future long-term financial commitments; provide an income to the trust to help maintain its operational effectiveness in the short term. The policy states that all investments must be ethical and in line with the trust ethos complying with the sectors of the market that are excluded.

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

Surplus income should only be invested if there is no requirement to spend the money within 24 months of the investment. All investments are communicated to the Finance and Resources Committee and currently there are no investments.

Principal Risks and Uncertainties

The trustees strive to improve the levels of performance of its students at all levels. A primary focus will be continuing to drive improvement and manage performance within our open academies through effective use of pupil premium, sports premium and additional provision of Opportunity Area grants. The growth of the trust with two more sponsored schools which have significant needs are being supported by both central education and operational staff.

Financial risks continue to be the uncertainty of the continuation of grants and when the national funding formula will be 100% released. The cost pressures of the unfunded pay rises for both teachers and support staff add increased pressure on already squeezed budgets.

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

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

Risk Management

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

Bradford Diocesan Academies Trust

Trustees' Report (continued)

Financial and Risk Management Objectives and Policies

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

Fundraising

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

The funds raised through such fundraising activities are to support external charities. A few examples of events are non-uniform days and coffee mornings.

Plans for Future Periods

The next stage of the journey for BDAT is set out in our three year plan 2019 – 2022 “From Growth to Great” agreed by the Board in April 2019. This plan sees a deliberate move for the trust away from being driven by growth and numbers to focussing on being a great Trust and great employer. The three-year strategy is available online and is underpinned by a one year annual delivery plan for 2019-20 setting out the plans and priorities for the coming year.

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

The Board has agreed four long term key objectives for 2019-22:

1. To continue to maintain our position as a secure and viable trust and safe home for our schools

Our aim is to continue to develop and maintain a strong trust infrastructure for all the schools in the trust. This is predicated on the Trust and each of academies having a three-year positive or balanced budget, ensuring we are financially viable and secure. We also want to make sure the Trust retention fees provide a highly effective and supportive core service offer across operations, health and safety, governance, safeguarding, education and HR management which removes bureaucracy from our academies.

Our aim over the next three-five years will be to build on the mature model we have already established to meet school needs and to identify further areas for efficiency, centralisation and cost savings.

2. Market Leader Trust

There is no one model or blueprint for a successful trust. Most trusts operate differently and have chosen different areas to standardise practice or to promote autonomy. However, there is much we can learn from each other and share to avoid duplication of effort and expense.

As a trust our modus operandi has always been to share our tools and resources, such as policies, governance material and education practice with other trusts where appropriate, particularly those who are less established. We have benefitted from excellent national and local cross-trust relationships and have learned a lot from the different ways different MATs develop.

3. Employer of Choice

As a trust we have already stated our ambition to be an employer of choice. This is not an easy or quick goal in the current financial and political climate where more teachers are leaving the profession than ever before. It is, however, absolutely business critical as we need great teachers and support staff in our schools if they are going to provide the high quality of education we must deliver.

In order to achieve this aim, the trust needs to develop our offer to support and develop our teachers and support staff so that we retain teachers throughout their career within the trust.

We need to continue to develop our offer for our early careers staff building on the Opportunity Area Pilot of the early careers framework and invest in expanding our NQT and RQT packages.

Bradford Diocesan Academies Trust

Trustees' Report (continued)

4. Schools of Choice

Our fourth strategic priority for the next phase of the BDAT journey is to establish the BDAT schools as schools of choice. We want all of our schools to be well regarded as the great schools we know they are, each full of pupils and popular with parents and within their own community.

To access a copy of the BDAT Plan – from Growth to Great for 2019-22 visit <https://www.bdat-academies.org/about-us/trust-development/>

Funds Held as Custodian Trustee on Behalf of Others

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

Auditor

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

Statement as to disclosure of information to the auditor

The trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. 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.

The Trustees' Report incorporating a strategic report is approved by order of the Board of Trustees and the Strategic Report (included therein) is approved by the Board of Governors in their capacity as Directors at a meeting on the 12 December 2019 and signed on its behalf:



.....
Mrs Theresa Mason

Chair of Trustees

Bradford Diocesan Academies Trust

Governance Statement

Scope of Responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees had seven meetings between 1 September 2018 and 31 August 2019. Attendance during the year at meetings of the governing body was as follows:

<i>Trustee</i>	<i>Meetings attended</i>	<i>Out of a possible</i>
Mrs Theresa Mason (<i>Chair</i>)	6	7
Mr Anthony Hesselwood	6	7
Ms Carol Dewhurst (<i>CEO & Accounting Officer</i>)	7	7
Mrs Catherine Wilson	3	4
Mrs Denise Sterling	5	7
Mr Bill Henry	6	7
Mr Roland Clark	7	7
Mrs Nurjahan Ali Arobi	6	7
Mr Stephen Emsley	6	7
Mrs Ruby Bhatti	4	7
Mrs Pauline Hagen	5	7
Mrs Judith Kirk	1	1
Mr Peter Addison-Child	7	7
Mr Neil Diamond	1	1
Mrs Alison Grant	1	1

Key changes in the composition of the Board of Trustees 2018-19 – additional educational experience is brought by both new trustees and links into the strategic future plans.

There were two appointments during the year.

1. Mr Neil Diamond – 18 July 2019
2. Mrs Alison Grant - 18 July 2019

Bradford Diocesan Academies Trust

Governance Statement (continued)

There were three resignations during the year:

1. Judith Kirk - 20 November 2018
2. Pauline Hagen - 13 October 2019
3. Catherine Wilson - 23 February 2019

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

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

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

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

Trustee	Meetings attended	Out of a possible
Ms Carol Dewhurst	3	3
Mrs Denise Sterling	1	3
Mrs Nurjahan Ali Arobi	3	3
Mrs Catherine Wilson	1	3
Mrs Pauline Hagen	0	3
Ms Judith Kirk	1	1
Mrs Ruby Bhatti	1	3

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

Trustee	Meetings attended	Out of a possible
Mrs Ruby Bhatti (<i>Chair</i>)	3	3
Ms Carol Dewhurst	3	3
Mr Stephen Emsley	3	3
Mr Peter Addison-Child	2	3

The Audit Committee is also a sub-committee of the main Board of Trustees and held its first meeting on the 30 November 2018. It has an independent Chair Mr Richard Giles. This committee is commissioned to meet three times a year, from 1 September 2019, to review all quality assurance, financial internal audit, external audit processes, health and safety, safeguarding.

Bradford Diocesan Academies Trust

Governance Statement (continued)

Trustee	Meetings attended	Out of a possible
Mr Richard Giles (<i>Chair- Not a trustee</i>)	2	2
Mrs Carol Dewhurst	2	2
Mrs Catherine Wilson	1	2
Mrs Nurjahan Ali Arobi	2	2
Mrs Ruby Bhatti	2	2
Mr Stephen Emsley	2	2
Mr Anthony Hesselwood	1	1
Mrs Pauline Hagen	1	2
Mr Bill Henry	0	2

Review of Value for Money

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

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

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

There are some good examples during 2018/19 that have provided significant savings:

- Continued expansion of the Executive Business Manager model to work across multiple locations.
- Three Salix loans for three schools installation of LED lighting.
- A review of all costs through a no win no fee consultant.
- A review of catering facilities has led to a procurement of a new catering provider and an improved service with reduced costs.

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

Bradford Diocesan Academies Trust

Governance Statement (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bradford Diocesan Academies Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the trust's significant risks that has been in place for the period 1 September 2018 and 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function as follows:

- An Audit Committee met twice during the year 1 September 2018 to 31 August 2019 and considers all aspects of internal scrutiny as well as the external auditors report and recommendations.
- In 2018/19 there was an independent peer review for internal financial scrutiny with the Beckfoot Trust. These were carried out by senior finance staff of a neighbouring Trust with a reciprocal arrangement with Bradford Diocesan Academies Trust finance staff. The Chief Financial Officer of each trust ensured that the management of the process was managed and reported in an effective and timely manner. The reports were presented to the Local Governing Bodies and a consolidated RAG report was presented to the Audit Committee. A remedial action plan was produced to ensure that corrective actions were planned and followed up.
- Further internal independent scrutiny was undertaken in the following areas: Human Resources, safeguarding, Health and Safety compliance and education.
- Systems are being developed and training has been given to address weaknesses identified.

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

Bradford Diocesan Academies Trust

Governance Statement (continued)

Review of Effectiveness

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

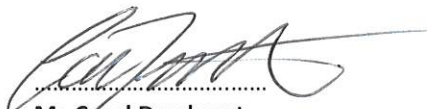
- the financial management and governance self-assessment process;
- the work of the internal audit function
- the work of the external auditor
- the work of the executive team within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 12 December 2019 and signed on its behalf by:



.....
Mrs Theresa Mason
Chair of Trustees



.....
Ms Carol Dewhurst
Accounting Officer

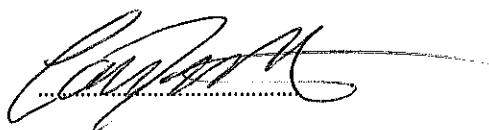
Bradford Diocesan Academies Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Bradford Diocesan Academies Trust, I have considered my responsibility to notify the trust governing body and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with Education and Skills Funding Agency terms and conditions of funding, under the funding agreement in place between the trust and the Secretary of State for Education. As my part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of funds by the trust, or material non-compliance with the terms and conditions of the funding under the trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that there are no instances of material irregularity, impropriety or funding non-compliance discovered to date.. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and Education and Skills Funding Agency.

A handwritten signature in black ink, appearing to read 'Carol Dewhurst', with a long horizontal flourish extending to the right.

Ms Carol Dewhurst

Accounting Officer

12 December 2019

Bradford Diocesan Academies Trust

Statement of Trustees' Responsibilities

Year ended 31 August 2019

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015, FRS 102 and the Academy Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conforms to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the Education & Skills Funding Agency/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of trustees on 12 December 2019 and signed on its behalf by:



.....
Mrs Theresa Mason
Chair of Trustees

Bradford Diocesan Academies Trust

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

Opinion

We have audited the financial statements of Bradford Diocesan Academies Trust (the 'Trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities incorporating Income & Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the trust's affairs as at 31 August 2019, 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 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Bradford Diocesan Academies Trust

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

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

Bradford Diocesan Academies Trust

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

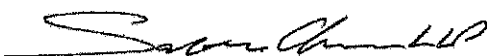
Auditor's responsibilities for the audit of the financial statements

Saffery Champness have been appointed as auditors under the Companies Act 2006 section 1212 and report in accordance with that Act. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of Our Report

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



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

Mitre House
North Park Road
Harrogate
HG1 5RX

14 December 2019

Bradford Diocesan Academies Trust

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

In accordance with the terms of our engagement letter dated 4 September 2019 and further to the requirements of the Education Skills & Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bradford Diocesan Academies Trust during the period 1 September 2018 to 31 August 2019 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 Education and Skills Funding Agency 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 Education and Skills Funding Agency those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Bradford Diocesan Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Bradford Diocesan Academies Trust's funding agreement with the Secretary of State for Education dated October 2012 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by Education and Skills Funding Agency. 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 trust's income and expenditure.

Bradford Diocesan Academies Trust

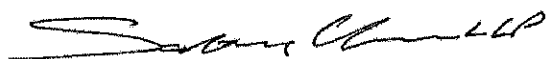
Independent Reporting Accountants' Assurance Report on Regularity to Bradford Diocesan Academies Trust and the Education & Skills Funding Agency (continued)

The work undertaken to draw our conclusion includes:

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

Conclusion

In the course of our work, except for the matter listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

Mitre House
North Park Road
Harrogate
HG1 5RX

19 December 2019

Bradford Diocesan Academies Trust

Statement of Financial Activities for the year ended 31 August 2019

(including Income and Expenditure Account)

					2018/19	2017/18
		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds		
Income and endowments from:	Note	£000	£000	£000	£000	£000
Donations and capital grants	2	5	6,192	1,807	8,004	5,845
Transfer from Local Authority on Conversion	2	(16)	(819)	3,276	2,441	(899)
Charitable activities:						
Funding for the trust's educational operations	3	-	48,625	-	48,625	42,588
Other trading activities	4	2,476	-	-	2,476	2,367
Total		2,465	53,998	5,083	61,546	49,901
Expenditure on:						
Raising Funds	5	416	-	-	416	390
Charitable activities:						
Academy trust educational operations	7	1,146	57,373	1,261	59,780	50,792
Total		1,562	57,373	1,261	60,196	51,182
Net income / (expenditure)		903	(3,375)	3,822	1,350	(1,281)
Transfers between funds	16	(464)	78	386	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	25	-	(7,135)	-	(7,135)	(247)
Net movement in funds		439	(10,432)	4,208	(5,785)	(1,528)
Reconciliation of funds						
Total funds brought forward		3,756	(7,350)	36,301	32,707	34,235
Total funds carried forward		4,195	(17,782)	40,509	26,922	32,707

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

Bradford Diocesan Academies Trust

Balance Sheet as at 31 August 2019

		2018/19	2018/19	2017/18	2017/18
	Notes	£000	£000	£000	£000
Fixed assets					
Tangible assets	11		39,606		35,426
Current assets					
Stock	12	5		3	
Debtors	13	1,423		1,152	
Cash at bank and in hand	22	8,281		7,273	
		<u>9,709</u>		<u>8,428</u>	
Liabilities					
Creditors: Amounts falling due within one year	14	(4,506)		(3,687)	
Net current assets			<u>5,203</u>		<u>4,741</u>
Total assets less current liabilities			<u>44,809</u>		<u>40,167</u>
Creditors: Amounts falling due after more than one year	15	(64)			
Net assets excluding pension liability			<u>44,745</u>		<u>40,167</u>
Defined benefit pension scheme liability	25	(17,823)		(7,460)	
Total assets			<u>26,922</u>		<u>32,707</u>
Funds of the trust:					
Restricted funds					
Fixed asset fund	16	40,509		36,301	
Restricted income fund	16	41		110	
Pension reserve	16	(17,823)		(7,460)	
Total restricted funds			<u>22,727</u>		<u>28,951</u>
Unrestricted income funds	16		<u>4,195</u>		<u>3,756</u>
Total funds			<u>26,922</u>		<u>32,707</u>

The financial statements on pages 30 - 66 were approved by the trustees, and authorised for issue on 12 December 2019 and are signed on their behalf by:

Mr Anthony Hesselwood

Trustee



Bradford Diocesan Academies Trust

Statement of Cash Flows for the year ended 31 August 2019

	Notes	2019 £000	2018 £000
Cash flows from operating activities			
Net cash (used in) provided by operating activities	20	1,591	2,066
Cash flows from investing activities	21	(628)	136
Cash flows from financial activities	22	45	-
Change in cash and cash equivalents in the reporting period		1,008	2,202
Cash and cash equivalents at 1 September 2018		7,273	5,071
Cash and cash equivalents at the 31 August 2019	23	8,281	7,273

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the period ended 31 August 2019

1 Statement of Accounting Policies

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

Basis of Preparation

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

Going Concern

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

Income

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

Grants

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

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

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

Sponsorship Income

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

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the period ended 31 August 2019 (continued)

Note 1 (continued)

Donations

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

Other Income

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

Donated goods, facilities and services

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

Transfer on Conversion

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

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

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

Expenditure

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

Expenditure on Raising Funds

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

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the period ended 31 August 2019 (continued)

Note 1 (continued)

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT

Tangible Fixed Assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life on the basis of full years depreciation. Separate items within capital project costs are assessed for depreciation on an individual basis. The general rates are as follows:

Long leasehold buildings	50 years
Leasehold Improvements	50 years
Plant & Machinery	5 years
Fixtures,	5 years
ICT hardware	3 years
Motor Vehicles	5 years
Assets Under Construction	see note below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings. A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Land and Buildings

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

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

Liabilities

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

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the period ended 31 August 2019 (continued)

Note 1 (continued)

Provisions

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

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

Leased Assets

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

Investments

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 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 financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or other financial instrument.

Stock

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

Taxation

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

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

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the period ended 31 August 2019 (continued)

Note 1 (continued)

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund Accounting

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

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

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

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the period ended 31 August 2019 (continued)

Note 1 (continued)

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

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

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

2 Donations and capital grants

			2018/19	2017/18
	Unrestricted	Restricted		
	Funds	Funds	Total	Total
	£000	£000	£000	£000
Transfer on Conversion	(16)	2,457	2,441	(899)
Notional Donation in respect of rent	-	6,192	6,192	4,632
Capital Grants	-	1,531	1,531	1,131
Donations	5	276	281	82
	(11)	10,456	10,445	4,946

3 Funding for the Trust's Educational Operations

			2018/19	2017/18
	Unrestricted	Restricted		
	Funds	Funds	Total	Total
	£000	£000	£000	£000
DfE / ESFA grants				
General Annual Grant (GAG)	-	41,632	41,632	36,961
Start Up Grants	-	-	-	286
Other DfE/ESFA grants	-	4,684	4,684	3,513
	-	46,316	46,316	40,760
Other Government grants				
Local authority grants	-	1,753	1,753	1,451
Special educational needs	-	556	556	377
	-	2,309	2,309	1,828
	-	48,625	48,625	42,588

4 Other trading activities

			2018/19	2017/18
	Unrestricted	Restricted		
	Funds	Funds	Total	Total
	£000	£000	£000	£000
Catering	827	-	827	842
Trips	360	-	360	374
Pupil /ITT Income	369	-	369	188
Other Income	292	-	292	323
Facilities	181	-	181	176
Breakfast/Clubs	177	-	177	150
Income from other charitable activities	75	-	75	106
Trading with Other Trust	82	-	82	25
Insurance Refunds/Claims	66	-	66	123
School Fund	47	-	47	60
	2,476	-	2,476	2,367

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

5 Expenditure	Non Pay Expenditure			2018/19	2017/18
	Staff Costs	Premises	Other	Total	Total
	£000	£000	£000	£000	£000
Expenditure on raising funds:					
Allocated support costs	-	-	416	416	390
Trust's educational operations:					
Direct costs	33,828	-	3,050	36,878	31,321
Allocated support costs	7,797	12,421	2,684	22,902	19,471
	41,625	12,421	6,150	60,196	51,182
Net Income/(expenditure) for the period includes:				2018/19	2017/18
				£000	£000
Operating lease rentals				6,122	6,134
Depreciation				1,261	1,143
Fees payable to auditor for:					
- Audit				30	25
- Other services				6	-
Indemnity Insurance				5	4
Trustee Reimbursed Expenses				2	2

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

6 Analysis of grants

			2018/19	2017/18
	Unrestricted Funds	Restricted Funds	Total	Total
	£000	£000	£000	£000
Improvements to diocesan property occupied by the Trust	88	174	262	245
	88	174	262	245

7 Charitable Activities

	2018/19	2017/18
	Total	Total
	£000	£000
Direct costs - educational operations	36,878	31,321
Support costs - educational operations	22,902	19,471
	59,780	50,792

		2018/19	2017/18
Analysis of support costs	Educational operations	Total	Total
	£000	£000	£000
Support staff costs	7,797	7,797	6,897
Depreciation	1,260	1,260	1,143
Technology costs	576	576	397
Premises costs	10,585	10,585	8,169
Other support costs	2,640	2,640	2,838
Governance costs	44	44	27
Total support costs	22,902	22,902	19,471

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

8 Staff

a. Staff costs

Staff costs during the period were:

	2018/19	2017/18
	Total	Total
	£000	£000
Wages and salaries	30,360	26,685
Social security costs	2,947	2,566
Pension Costs	6,738	2,672
	40,045	31,923
Agency Staff Costs	1,349	1,111
Staff restructuring costs	231	258
	41,625	33,292
Staff restructuring costs comprise:		
Redundancy payments	26	109
Severance payments	158	142
Other restructuring costs	47	7
	231	258

b. Non statutory/non contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling 2019: £18k (2018: £68k). Individually, the payments were: £12k, £4k and £2k.

c. Staff numbers

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

	2018/19	2017/18
	No.	No.
Teachers	435	419
Administration and support	824	738
Management	94	84
	1,353	1,241

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

8 Staff (continued)

d Higher paid staff

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

	2018/19	2017/18
	No.	No.
£60,001 - £70,000	18	13
£70,001 - £80,000	6	6
£80,001 - £90,000	2	2
£90,001 - £100,000	0	1
£100,001 - £110,000	3	3
£150,001 - £160,000	1	1

Twenty seven of the thirty above employees participated in the Teachers' Pension Scheme

There were two employees in the Local Government Pension Scheme

e Key management personnel

The key management personnel of the trust comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the trust was £434,182 (2018: £427,666).

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

9 Related Party Transactions - Trustees' Remuneration and Expenses

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

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

Ms Carol Dewhurst (Chief Executive Officer and Trustee):

Remuneration: £100,000 - £110,000 (2018: £100,000 - £110,000)

Employer's pension contributions paid: £15,000 - £20,000 (2018: £10,000 - £15,000)

During the period ended 31 August 2019, travel and subsistence expenses totaling £1,616 (including the Chief Executive Officer) were reimbursed or paid directly to 2 trustees (2018: £1,115 to 2 trustees).

10 Trustees' and Officers' Insurance

In accordance with normal commercial practice the trust has purchased trust insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust's business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period 1 September 2018 to 31 August 2019 was £4,600 (2018: £4,500). The cost of this insurance is included in the total insurance cost.

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

11 Tangible Fixed Assets

	Leasehold Land and Buildings	Leasehold Improvements	Assets under Construction	Plant and Machinery	Furniture and Equipment	Computer Hardware	Motor Vehicle	Total
Cost	£000	£000	£000	£000	£000	£000	£000	£000
At 1 September 2018	33,786	424	-	-	2,350	1,699	1	38,260
Additions	-	815	341	384	387	237	-	2,164
Transfer on conversion	3,276	-	-	-	-	-	-	3,276
At 31 August 2019	37,062	1,239	341	384	2,737	1,936	1	43,700
Depreciation								
At 1 September 2018	843	3	-	-	838	1,150	-	2,834
Charged in year	405	41	-	-	470	344	1	1,261
At 31 August 2019	1,248	44	-	-	1,308	1,494	1	4,095
Net book values								
At 31 August 2018	32,943	421	-	-	1,512	549	1	35,426
At 31 August 2019	35,814	1,195	341	384	1,429	442	0	39,606

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

11 Tangible Fixed Assets (cont)

The Cullingworth Primary school fair value of the land and building asset of £3276k is derived from a straight line method depreciation from the latest valuation of £4550k against a build year of 2004.

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

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

The land and buildings that twelve of the academies operate from are properties held in trust by The Leeds Diocesan Board of Finance (LDBF) and will operate under the above policy. There were two additional academies that have been included during 2018/2019

The land and buildings held under the Local Authority are held under a 125 year lease. These academies are listed below and there was 1 new academy to this lease arrangement during 2018/2019:

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

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

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

12 Stock	2018/19	2017/18
	£000	£000
Catering Stock	5	3
	<u>5</u>	<u>3</u>

13 Debtors	2018/19	2017/18
	£000	£000
Trade debtors	54	35
VAT recoverable	217	74
Prepayments and accrued income	1,152	1,043
	<u>1,423</u>	<u>1,152</u>

14 Creditors: Amounts Falling due within one year	2018/19	2017/18
	£000	£000
Trade creditors	1,122	357
Other taxation and social security	714	670
Other ESFA creditors	63	49
Other creditors including salix	1,451	1,413
Accruals and deferred income	1,156	1,198
	<u>4,506</u>	<u>3,687</u>

Deferred income	2018/19	2017/18
	£000	£000
Deferred income at 1 September 2018	615	1,020
Released from previous years	(615)	(1,020)
Resources deferred in the year	494	615
Deferred Income at 31 August 2019	<u>494</u>	<u>615</u>

Deferred income are grants that are for the period ending March 2020 and trips income.

15 Creditors: Amounts Falling due in greater than one year	2018/19	2017/18
	£000	£000
Salix Loan	64	-
	<u>64</u>	<u>-</u>

Included within creditors are three loans of £30k, £29k and £23k respectively from Salix which is provided interest free and are repayable by 2026.

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

16 Funds

	Balance at 1 September 2018	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2019
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	-	41,632	(41,632)	-	-
Other Annual Grants	-	13,180	(13,331)	151	-
Start Up Grant	20	-	-	(20)	-
School Improvement	90	-	-	(90)	-
Mary Evason Trust	-	43	(2)	-	41
Pension reserve	(7,460)	(819)	(2,409)	(7,135)	(17,823)
	(7,350)	54,036	(57,374)	(7,094)	(17,782)
Restricted fixed asset funds					
DfE/ESFA capital grants	1,574	1,531	(74)	-	3,031
Local Authority Capital Sponsorship	13,504	66	(121)	(41)	13,408
Private Capital Donation	83	172	(79)	-	176
Capital Expenditure from GAG	1,486	-	(4)	464	1,946
Transfer on conversion	19,654	3,276	(982)	-	21,948
	36,301	5,045	(1,260)	423	40,509
Total restricted funds	28,951	59,081	(58,634)	(6,671)	22,727
Total unrestricted funds	3,756	2,465	(1,562)	(464)	4,195
Total funds	32,707	61,546	(60,196)	(7,135)	26,922

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

General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

Other Annual Grants

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

Start Up Grant

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

School Improvement

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

Mary Evason Trust

This is a Legacy fund to support foreign travel.

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

16 Funds (continued)

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

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

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

16 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2018/19	2017/18
	£000	£000
Academy At St James	61	139
Belle Vue Girls' Academy	1127	1046
Bradford Forster Academy	896	530
Buttershaw Business & Enterprise College Academy	15	49
Christ Church C of E Academy	51	81
Clayton St John C of E Primary Academy	(114)	58
Cullingworth Primary School	58	-
East Morton C of E Primary School	218	203
Immanuel College	475	445
Oxenhope C of E Primary School	(8)	(9)
Shipley C of E Primary School	(20)	-
St Johns C of E Primary School	216	169
St Oswalds C of E Primary Academy	297	334
St Phillips C of E Primary School	55	50
Westminster C of E Primary Academy	233	75
Woodlands C of E Primary Academy	(20)	2
Wycliffe C of E Primary School	(29)	-
Mary Evason Trust (BVG)	41	-
Central services (LGPS Reserve)	375	200
Central services	268	384
Total before fixed assets and pension reserve	4,195	3,756
Restricted fixed asset fund	40,550	36,411
Pension reserve	(17,823)	(7,460)
Total	26,922	32,707

Oxenhope C of E Primary School has a deficit closing position of £8k due to a restructure. Wycliffe C of E Primary School and Shipley C of E Primary School were sponsored conversions that required staffing restructures during the year. Clayton St John C of E Primary Academy requires additional educational staffing resource over the next 2 years. Woodlands C of E Primary Academy had low pupil numbers which have now recovered and the school opened a nursery on 1 September 2019. All the schools have been closely monitored by the trust.

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

16 Funds (continued)

Analysis of academies by cost

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

2018/19 2017/18

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excl. Dep reciation) £000	Total £000	Total £000
Academy At St James	1,253	62	175	243	1,733	1,707
Belle Vue Girls' Academy	5,189	813	334	565	6,901	6,860
Bradford Forster Academy	3,091	624	371	628	4,714	3,880
Buttershaw Business & Enterprise College Academy	6,239	442	498	2,036	9,215	9,153
Christ Church C of E Academy	859	78	90	200	1,227	1,151
Clayton St John C of E Primary Academy	1,506	218	132	217	2,073	1,755
Cullingworth Primary School	866	138	74	169	1,247	-
East Morton C of E Primary School	648	85	62	145	940	869
Immanuel College	5,173	955	583	931	7,642	7,868
Oxenhope C of E Primary School	591	78	38	186	893	969
Shipley C of E Primary School	638	66	58	164	926	-
St Johns C of E Primary School	1,561	222	110	347	2,240	1,833
St Oswalds C of E Primary Academy	1,606	170	122	252	2,150	2,190
St Philips C of E Primary School	822	139	31	190	1,182	1,165
Westminster C of E Primary Academy	2,106	229	165	387	2,887	3,120
Woodlands C of E Primary Academy	414	41	47	71	573	38
Wycliffe C of E Primary School	962	92	36	225	1,315	-
Central Services (Incl.LGPS adj)	349	3,320	161	7,248	11,078	7,481
Academy Trust	33,873	7,772	3,087	14,204	58,936	50,039

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

17 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Tangible fixed assets	-	-	39,606	39,606
Current assets	4,195	4,611	903	9,709
Current liabilities	-	(4,506)	-	(4,506)
Current liabilities > 1 Year	-	(64)	-	(64)
Pension scheme liability	-	(17,823)	-	(17,823)
Total net assets	4,195	(17,782)	40,509	26,922

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

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

18 Capital commitments

	2018/19	2017/18
	£000	£000
Contracted for, but not provided in the financial statements	172	82

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

19 Commitments under operating leases

Operating Leases

At 31 August 2019 the total of the trust's future minimum lease payments under non-cancellable operating leases was as follows:

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

	2018/19	2017/18
	£000	£000
Amounts due within one year	1,490	1,502
Amounts due between one and five years	5,807	5,738
Amounts due after five years	12,724	14,131
	20,021	21,371

Non-cancellable contracts

At 31 August 2019 the Trust was treating its right to use the land and buildings made available by The Leeds Diocesan Board of Finance, as being similar to an operating lease (as per the Tangible Fixed Assets policy). The Trust was also recognising a related rental charge on the same basis. Amounts receivable and payable under this non-cancellable agreement was:

	2018/19	2017/18
	£000	£000
Amounts due within one year	6,192	4,632
Amounts due between one and five years	6,692	5,007
	12,884	9,639

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

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

	2018/19	2017/18
	£000	£000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	1,350	(1,281)
Adjusted for:		
Depreciation charges (note 11)	1,261	1,143
Capital grants from DfE and other capital income (note 21)	(1,531)	(1,448)
Interest receivable	(19)	(10)
Defined benefit pension scheme obligation inherited	819	1,620
Defined benefit pension scheme cost less contributions payable (note 25)	(1,069)	1,181
Defined benefit pension scheme finance cost (note 25)	216	114
(Increase)/decrease in stocks	(3)	(1)
(Increase)/decrease in debtors	(271)	(433)
Increase/(decrease) in creditors	838	1,181
Net cash provided by / (used in) Operating Activities	1,591	2,066

21 Cash flows from investing activities

	2018/19	2017/18
	£000	£000
Dividends, interest and rents from investments	-	-
Purchase of tangible fixed assets	(2,164)	(1,312)
Capital grants from DfE/ESFA	1,536	1,131
Transfer of fixed assets on conversion	-	317
Net cash provided by / (used in) investing activities	(628)	136

22 Cash flows from financing activities

	2018/19	2017/18
	£000	£000
Repayments of borrowing - Salix	(7)	-
Cash Inflows from new borrowing	52	-
Net cash provided by / (used in) financing activities	45	-

23 Analysis cash and cash equivalents

	2018/19	2017/18
	£000	£000
Cash in hand and at bank	8,281	7,273
Total cash and cash equivalents	8,281	7,273

24 Members' Liability

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

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the period ended 31 August 2019 (continued)

25 Pension and similar obligations

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended) 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 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended). The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the period ended 31 August 2019 (continued)

25 Pension and similar obligations (continued)

The TPS valuation for 2012 determined an employer rate of 16.48%, which was payable from September 2015. As a result of the latest valuation based on membership data as at 31 March 2016, TPS employees will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.08%).

The employer pension costs paid to TPS in the period amounted to £2,901,724 (2018: £2,657,182)

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

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

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

25 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £1,944k (2018: £1,654k), of which employer's contributions totalled £1,406k (2018: £1,181k) and employees' contributions totalled £566k (2018: £473k). The agreed contribution rates for future years are between 12.4 per cent and 18.4 per cent for employers and between 5.5 per cent and 12.5 per cent for employees.

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

McCloud Judgement/Guaranteed Minimum Pension Indexation and Equalisation.

In December 2018, the McCloud judgement found that the transitional protection arrangements put in place for the firefighters' and judges' pension schemes were reformed were age discriminatory. While the judgement was not in relation to members in the LGPS, the Government announced in a written Ministerial Statement on 15 July 2019 "as transitional protection was offered to members of all main public service pension schemes, the government believes that the difference in treatment will need to be remedied across all of those schemes". The past service cost 1 April 2014 to 31 August 2019 - CPI + 1.25% (10.7%) (McCloud Liability - % of Pay over 2018/19) and Current Service Cost 1 September 2019: CPI + 1.25% (2.0%) (McCloud Liability - % of Pay)

Following changes in the state pension age in April 2016, there was a risk that members of the LGPS who were "contracted out" of the state pension between 6 April 1978 and 6 April 1997, and would reach their state pension age after April 2016, would be worse off. This is because the state removed the ability to pay top up payments that were inflationary protected ensuring a full pension. The GMP liability at year end is 0.1% (% of defined benefit obligation) and a past service cost of £0.043m

Principal Actuarial Assumptions	2018/19	2017/18
Rate of increase in salaries	3.25%	3.25%
Rate of increase for pensions in payment/inflation	2.00%	2.00%
Discount rate for scheme liabilities	1.90%	2.80%
Inflation assumption (CPI)	2.00%	2.00%

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

	2018/19	2017/18
<i>Retiring today</i>		
Males	22.2	22.1
Females	25.4	25.3
<i>Retiring in 20 years</i>		
Males	23.2	23.1
Females	27.2	27.1

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

25 Pension and similar obligations (continued)

Sensitivity Analysis	2018/19 £000	2017/18 £000
Discount rate +0.1%	42,730	27,086
Discount rate -0.1%	44,821	28,412
Mortality assumption - 1 year increase	45,203	28,547
Mortality assumption - 1 year decrease	42,340	26,938
CPI rate +0.1%	44,167	27,996
CPI rate -0.1%	43,363	27,488

The trust's share of the assets in the scheme were:	2018/19 £000	2017/18 £000
Equities	20,130	15,130
Property	1,141	852
Government bonds	2,724	2,190
Corporate bonds	1,167	710
Cash	493	446
Other	285	953
Total market value of assets	25,940	20,281

The actual return on scheme assets was £2,447,000 (2018: £1,024,000).

Amounts recognised in the statement of financial activities

	2018/19 £000	2017/18 £000
Current service cost (net of employee contributions)	(2,530)	(2,318)
Net interest cost	(216)	(114)
Past service cost	(1,069)	(16)
Total amount recognised in the SOFA	(3,815)	(2,448)

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

25 Pension and similar obligations (continued)

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

	2018/19	2017/18
	£000	£000
At 1 September	27,741	18,999
Current service cost	2,530	2,318
Interest cost	842	538
Employee contributions	559	473
Actuarial loss	8,956	847
Benefits paid	(439)	(394)
Past service cost	1,069	16
Acquisitions	2,505	4,944
At 31 August	43,763	27,741

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

	2018/19	2017/18
	£000	£000
At 1 September	20,281	14,673
Interest income	626	424
Actuarial gain	1,821	600
Employer contributions	1,406	1,181
Employee contributions	559	473
Benefits paid	(439)	(394)
Acquisitions	1,686	3,324
At 31 August	25,940	20,281

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

26 Related Party Transactions

Owing to the nature of the trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and the trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

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

The trust provides professional support through due diligence of new schools for the Dales Academies Trust. The professional fees provided were at cost.

		2018/19	2017/18
		£000	£000
1 - Salary Recharge/Professional Support	(Income)	72	106
2 - Salary Recharge	(Expense)	7	-
3 - Staff Supply Cover	(Expense)	302	308
4 - Educational Support	(Expense)	1	-
5 - Educational Support	(Expense)	1	-
6 - Diocesan Service Level Agreements	(Expense)	2	3

1 - There is a cross trust relationship with the Dales Academies Trust. The Chief Executive Officer of the Dales Academies Trust is employed by the Trust and recharged to the Dales Academies Trust. The income in 2018 - 2019 is £72k (2018 - £106k). This is a salary recharge at cost and is not reportable under Education and Skills Funding Agency's related party rules. This arrangement ceased at the end of July.

2 - The Bradford Diocesan Academies Trust from the 1 July 2019 buys two days of executive time from the Chief Executive Officer of the Dales Academies Trust. This is purely a salary recharge at cost. The costs in 2018 - 2019 is £7k (2018 - £0k).

3 - Mr S Emsley (a trustee) has declared an interest in a The Classroom Partnership who provide "staff supply cover" for staff. A benchmarking exercise has provided evidence that this service is of good value and a statement of service at cost has been provided by the supplier identifying indirect and direct costs. The costs in 2018 - 2019 is £302k (2018 - £308k). This related party has ESFA approval.

4 - Dixons Academies Charitable Trust. The costs in 2018- 2019 is £1k (2018 - £0k). This was in relation to education support during the exam term. This is below ESFA threshold for Related Party transactions.

5 - New Collaborative Learning Trust. The costs in 2018- 2019 is £1k (2018 - £0k). This was in relation to education support. This is below ESFA threshold for reporting the Related Party transactions.

6 - Leeds Diocese Board of Finance at the year end. The costs in 2018- 2019 is £2k (2018 - £3k). This was in relation to service level arrangements for buildings compliance. This is below ESFA threshold for reporting the Related Party transactions.

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

27 Events after the end of the reporting period

The trust is close to a resolution with the PFI academy contractor in respect to the utilities charge. The school and Trust have accrued funds to pay for the utilities and there is an expectation that the resolution will be completed during the 2019-20 financial year.

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

28 Central Services

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

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

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

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

The actual amounts charged during the year were as follows:

	2018/19	2017/18
	£000	£000
Academy At St James	60	65
Belle Vue Girls' Academy	285	287
Bradford Forster Academy	207	150
Buttershaw Business & Enterprise College Academy	547	537
Christ Church C of E Academy	43	42
Clayton St John C of E Primary Academy	99	91
Cullingworth Primary School	24	-
East Morton C of E Primary School	36	32
Immanuel College	304	313
Oxenhope C of E Primary School	35	35
Shipley C of E Primary School	47	-
St Johns C of E Primary School	79	64
St Oswalds C of E Primary Academy	77	83
St Philips C of E Primary School	42	42
Westminster C of E Primary Academy	167	169
Woodlands C of E Primary Academy	21	3
Wycliffe C of E Primary School	70	-
	2,141	1,913

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

29 Agency Arrangements

The trust distributes 16-19 Bursary funds to students as an agent of the ESFA. In the accounting period the trust received 2019: £104k (2018: £119k) and distributed 2019: £90k. An amount of 2019: £63k (2018: £49k) has been carried forward into the 2020 figures, relating to undistributed bursary funds. These funds relate to:

	2018/19	2017/18
	£000	£000
Immanuel College	23	19
Belle Vue Girls' Academy	6	4
Buttershaw Business & Enterprise College Academy	34	26
	63	49

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

30 Conversion to Academy Status

On 1 September 2018 the Cullingworth Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bradford Diocesan Academies Trust from the Bradford Local Authority for £nil consideration.

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

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
· Land & Buildings	-	-	3,276	3,276
· Other tangible fixed assets	-	-	-	-
Budget surplus on LA funds	24	-	-	24
Salix Loan on transfer		(30)	-	(30)
Other surplus transfer				-
LGPS pension (deficit)	-	(273)	-	(273)
Net assets/(liabilities)	24	(303)	3,276	2,997

A deficit on the LGPS of £273k was inherited at the point of conversion.

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

30 Conversion to Academy Status

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

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

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
· Other tangible fixed assets	-	-	-	-
Budget surplus on LA funds	-	-	-	-
Other surplus transfer	10	-	-	10
LGPS pension (deficit)	-	(273)	-	(273)
Net assets/(liabilities)	10	(273)	-	(263)

A deficit on the LGPS of £273k was inherited at the point of conversion.

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

30 Conversion to Academy Status

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

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

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
· Other tangible fixed assets	-	-	-	-
Budget surplus on LA funds	-	-	-	-
Salix Loan on transfer		(23)	-	(23)
Other surplus transfer	-			-
LGPS pension (deficit)	-	(273)	-	(273)
Net assets/(liabilities)	-	(296)	-	(296)

A deficit on the LGPS of £273k was inherited at the point of conversion.