



# ANNUAL REPORT & FINANCIAL STATEMENTS

For the year ended 31 August 2020

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# Trustees' Report

## Reference and Administrative Details

### Members

**Venerable  
Andrew Jolly**  
appointed by  
Bishop of Leeds

**Mr Anthony Hesselwood**  
appointed by  
Leeds Diocesan  
Board of Education)

**Very Reverend  
Jerry Lepine**  
appointed by  
Members

**Mrs Theresa Mason**  
ex-officio

**Canon Richard Noake**  
appointed by  
Leeds Diocesan  
Board of Education

### Directors & Trustees



Mrs Theresa Mason



Mr Bill Henry



Mr Anthony Hesselwood



Ms. Carol Dewhurst OBE



Mrs Pauline Hagen OBE



Mrs Nurjahan Ali Arobi



Mr Neil Diamond



Mr Stephen Emsley



Mrs Alison Grant



Canon Roland Clark



Mrs Ruby Bhatti OBE



Mrs Denise Sterling



Mr Peter Addison-Child



Canon John Wood



Mrs Catherine Wilson



# Trustees' Report (continued)

## Reference and Administrative Details (continued)

### Senior Executive Management Team



**Ms. Carol Dewhurst OBE**  
Chief Executive Officer/  
Accounting Officer



**Mr Ashley Reed**  
Chief  
Financial Officer



**Mr Peter Thompson**  
Chief  
Operating Officer



**Mr Craig Lee**  
Director  
of Primary



**Mr Jason Kenneally**  
Director  
of Secondary



**Mrs Katie Waring**  
Director of Professional  
& Career Development

# Trustees' Report (continued)

## Reference and Administrative Details (continued)

### 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

### Independent Auditor

Saffery Champness LLP  
Mitre House  
North Park Road  
Harrogate HG1 5RX

### Bankers

Lloyds Bank PLC  
Hustlergate  
Bradford BD1 1NT

### Legal Advisors

Lupton Fawcett LLP  
Yorkshire House  
East Parade  
Leeds LS1 5BD



# Trustees' Report (continued)

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

## Objectives and Activities of the Trust

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.

## Aims and Strategies

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.

# Trustees' Report (continued)

## 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.

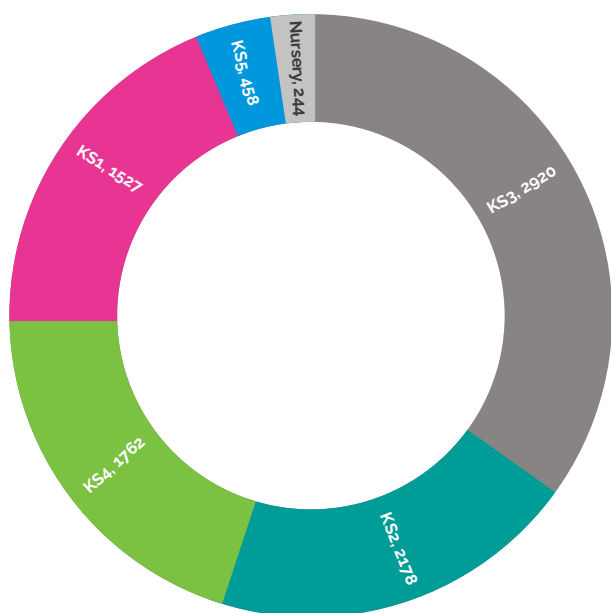
The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

As of August 2020, Bradford Diocesan Academies Trust supports seventeen academies (four secondary and thirteen primary) across the Bradford district. Its academies have a combined pupil capacity of 9,490 and a roll of 8,845 in the school census, with an additional 244 in nursery, on 1 October 2020. (2019 comparison: 8,801 in school census, with an additional 233 in nursery).

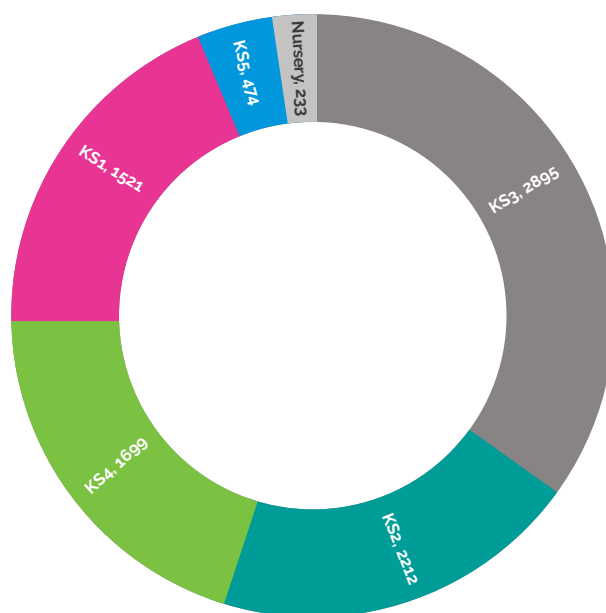
The following charts show a comparison of the October 2020 census data with the October 2019 census data.

**As of August 2020,  
Bradford Diocesan  
Academies Trust  
supports  
seventeen  
academies**

**October 2020 School Census**



**October 2019 School Census**



The Trust's pupil numbers have changed very little between 2019 and 2020 with the main changes being the closure of the sixth form at Buttershaw Business and Enterprise College Academy and the growth of Key Stage 3 and Key Stage 4 at Immanuel College, Bradford Forster Academy and Buttershaw Business and Enterprise College Academy and ongoing growth of Cullingworth Primary.



# Trustees' Report (continued)

## 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.

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:

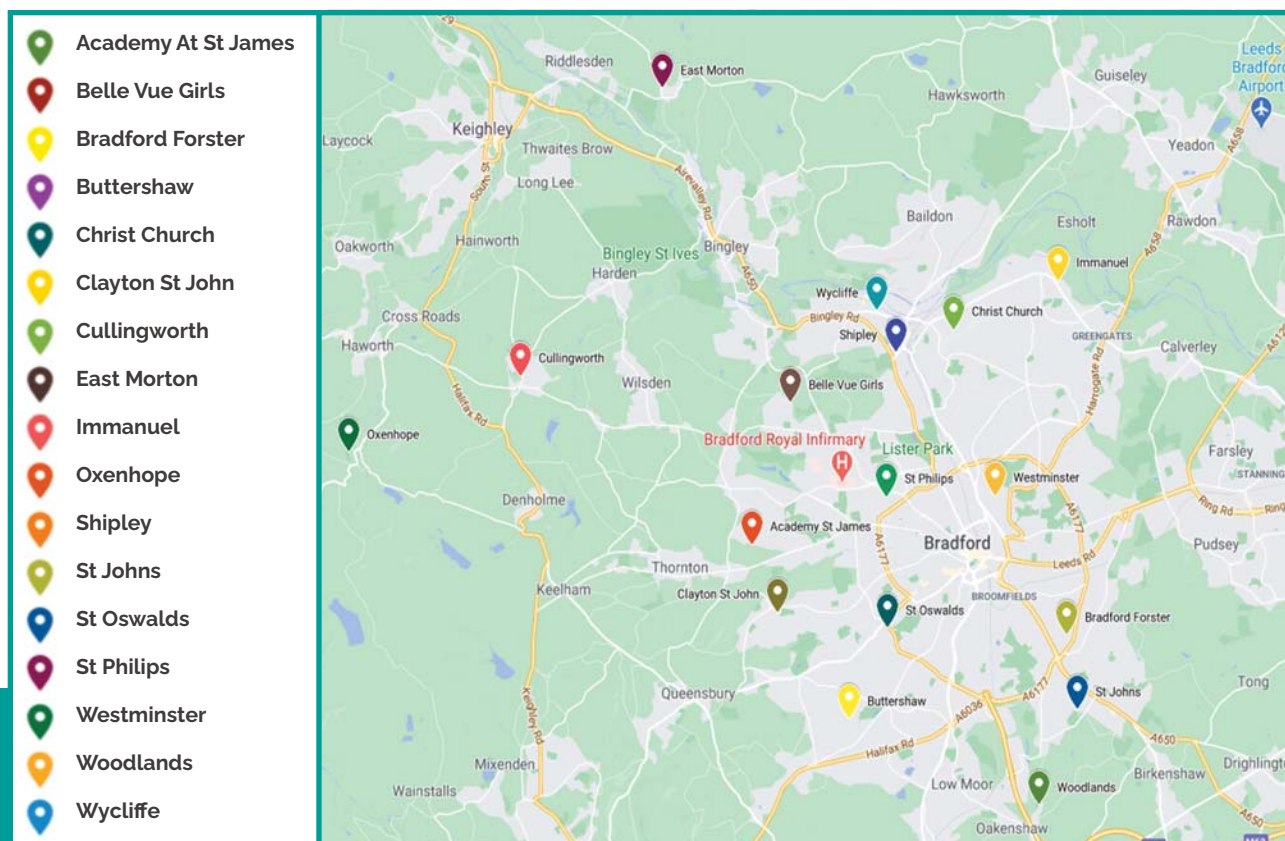


- The Academy at St James
- Belle Vue Girls' Academy
- Bradford Forster Academy
- Buttershaw Business and Enterprise College Academy
- Christ Church C of E Primary Academy
- Clayton St John C of E Primary School
- Cullingworth Village Primary School
- East Morton C of E Primary School
- Immanuel College
- Oxenhope C of E Primary School
- Shipley C of E Primary School
- 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



# Trustees' Report (continued)

## Geographical Locations of the BDAT Academies



## Members' Liability

Members are appointed ex officio or by the Diocesan Board of Education or by the Bishop of Leeds. Each member 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 but not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

## Trustees' third-party Indemnity Provision

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.

# 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. This is 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 £2,800 (2019: £4,600) 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 holding the necessary skills are identified through the Diocesan and national education networks such as Governors for Schools and Academy Ambassadors. The Board may appoint up to two Trustees without reference to the members, who carry out responsibility to appoint Trustees.

**The Board seeks to  
have members with  
a range of skills  
and experience in  
education and  
business  
management.**

## 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 Corporate Governance and Compliance who supports Trustees and governors in their roles and is also the named clerk to the Trust Board. 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 a selection of Trustees and Chairs of Governors on a rolling basis.

# Trustees' Report (continued)

## Organisational Structure

### 1) Trust Board Structures

Our organisational structure has remained stable for 2019-20. This has been particularly important as the Trust has negotiated the Covid-19 pandemic meaning stable, strong and decisive leadership at Executive and Board level has been more important than ever before.

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 sub-committee is made up of up at least four Trustees overseeing primary, secondary and finance/resources. An Audit Committee met three times during 2019-20 and is chaired by an independent Chair who is not a Trustee.

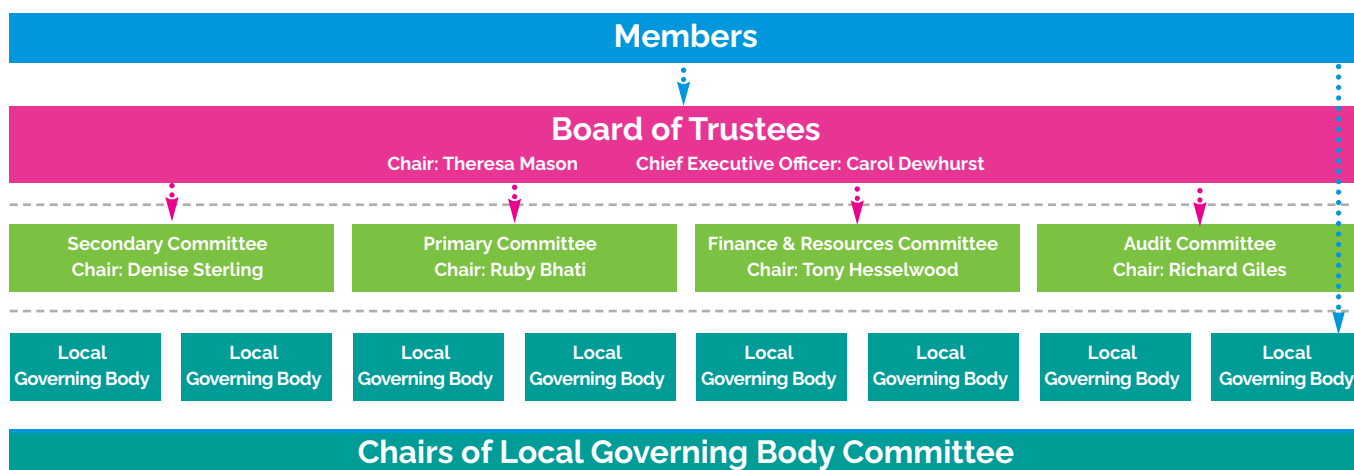
This committee structure provides independent quality assurance and scrutiny for all areas of Trustee activity and reports directly to the members of the Trust at AGMs.

In reality, the Board has met more frequently during the Covid-19 pandemic – managed through remote meetings and occasional email correspondence. The Chief Executive Officer recognised and welcomed the importance of Trustee strategic oversight and decision making at times of business critical decisions such as school closures, approving risk assessments and health and safety concerns. This is continuing into 2020-21 with the introduction of a Trustee Covid-19 committee.

We have continued to strengthen the Board as needed over the twelve months and as vacancies occur. This includes introducing new Trustees with experience in secondary education, change management and finance to meet identified skills gap.

As a Trust we remain committed to retaining local governing bodies for each of our academies 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, most recently approved by the Board in July 2020.

### Trust Governance Structure 2019-2020



# Trustees' Report (continued)

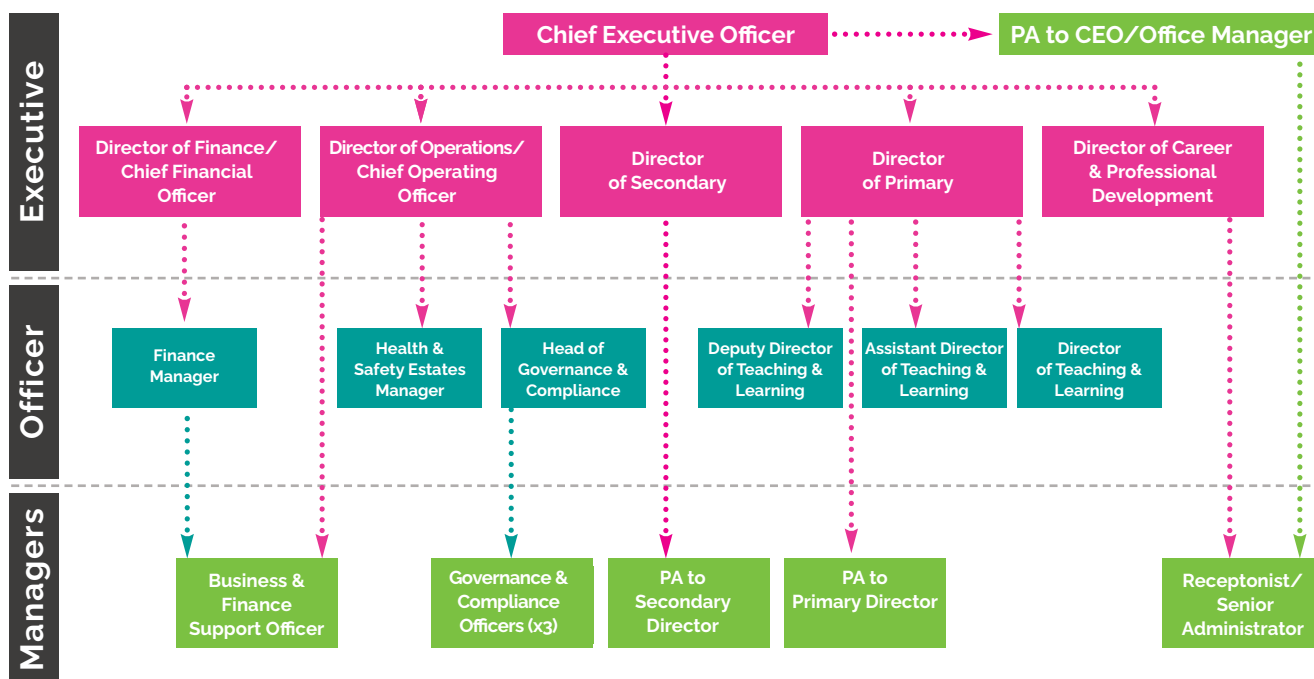
## 2) Executive Leadership Structure

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.

This structure is also well established and stable with a number of staff serving for five years or more. The strength of the leadership structure was publically recognised this year with the Chief Executive Officer being awarded an OBE in the New Year Honors for services to education – an award which recognises the contribution of the work across the entire leadership of the Trust and achievements of the Trust to date.

The Trust has further strengthened the leadership of the central executive appointing a new Director of Secondary on 1 December 2019 (the previous incumbent post holder has supported the induction of the new post holder throughout the academic year). We also employed a Director of Careers and Professional Development to the leadership structure to drive and accelerate the Trust's ambition to become the "employer of choice".

### Central Team 2019-2020



Underpinning the Trust executive leadership structure, the Trust employs 19 experienced and committed head teachers and Heads of schools who drive forward the Trust vision within their own academies. Two head teachers left the Trust in summer 2020 having secured further promotions. The Trust was delighted to fill both post vacancies during the Covid-19 pandemic having run remote and interactive online recruitment processes.





# 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". From summer 2020 the Trust have published high salaries on the Trust website as per the new requirements of the Academies Financial Handbook 2020. <https://www.bdat-academies.org/bdat-business/our-financial-accounts/>

The Trust Board directly oversees all central staff and head teacher performance management and remuneration decisions. 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.



# Trustees' Report (continued)

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.

During 2019-20, in response to the Covid-19 pandemic and the impact it was having on allowing staff to complete their "normal" job, the Trust Board made the decision to guarantee all eligible staff a progression pay award without relating the decision directly to performance and targets set prior to the Covid-19 pandemic. This decision was fully endorsed by union colleagues. We did still undertake the full year performance management cycle as we believe performance management conversations should always be an entitlement for staff and a means of supporting them in their role. This is again particularly important in supporting staff wellbeing and touching base with staff at this unusual time.

## Trade Union Facilities Time

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

<b>Relevant Union Officials</b>	
Number of employees who were relevant union officials during the relevant period:	1.4
Full time equivalent employee number:	1.4
<b>Percentage of time spent on facility time</b>	
Percentage of time	Number of employees
0%	0
0% - 50%	1
51% - 99%	0
100%	1
<b>Percentage of pay bill spent on facility time</b>	
Total cost of facility time	£50,290
Total pay bill	£41,908,333
Percentage of total pay bill spent on facility time, (total cost of facility time ÷ total pay bill) x 100	0.12%
<b>Paid trade union activities</b>	
Time spent on trade union activities as a percentage of total paid facility time hours. (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	100.0%

# Trustees' Report (continued)

## Section 172 (1) Statement for the Financial Year

1 September 2019 to 31 August 2020

The Trustees of the Board of Bradford Diocesan Academies Trust consider, both individually and collectively, that they have acted to promote the success of the Trust taking into account the needs of pupils, colleagues, Trustees, members and other stakeholders and the Trust's wider role in society. In doing so they have taken into account the following matters set out in s172 (1) (a) to (f) of the Companies Act 2006:

- a) The likely consequences of any decision in the long term,
- b) The interests of the Trust's employees,
- c) The need to foster the Trust's business relationships with suppliers, customers and others,
- d) The impact of the Trust's operations on the community and the environment,
- e) The desirability of the Trust maintaining a reputation for high standards of business conduct, and
- f) The need to act fairly as between Trustees of the Trust.

The Board is mindful that the long-term success of the Trust is critically dependent on the way we work with a large number of notable stakeholders. The table below sets out our focus on the key relationships and shows how engagement with them is addressed by the Board of Trustees, committees and work streams to help the Trust's decision making. It is important for all Trustees of the Board to gain sufficient understanding of the issues relating to every stakeholder so that their views are taken into account in Board discussions.

A robust governance framework is in place to ensure that stakeholder considerations are captured and enhancements made to strengthen the views of our stakeholders in the Board meetings.





Stakeholder Group	Forms of Engagement	How this stakeholder group influenced the Board agenda and long term decision-making s172 (1)(a)
<p>People (our employees) s172(1)(b)(e)</p> <p>At the end of August 2020 the trust had 1392 employees.</p> <p>We create an environment in which our people can make a positive contribution, develop their careers and reach their potential. Our ambition is to be an employer of choice across the Education sector and across Bradford.</p>	<p>At Board level: Employees are a key asset to the Trust. We can't have great schools without great people. The Board approved the BDAT "Growth to Great" which has a strategic priority to be an employer of choice. The Board receives regular updates on progress against the Trust's Employee strategic objectives including key performance recruitment and retention. The BDAT annual staff survey also looks at trends around staff satisfaction, understanding of their role in the Trust and ambitions for remaining within the Trust.</p> <p>At Academy Level: To facilitate engagement, we have established a 'Talent Management work stream including executive team members, school leaders and other key staff. We also have a staff voice group, made up of teachers and non-teaching staff which drives company direction and activity for example development of the annual staff survey, sharing collective practice around wellbeing across school.</p> <p>Engagement with our people takes many forms with regular and ongoing discussions. This includes presentation to the staff board and sub-committee performance management, annual career discussions, work streams and professional development networks, termly CEO newsletters, employee engagement surveys and most recently through twice-weekly senior leadership briefings on Coronavirus related activity.</p>	<p>During the year 2019-20 the Trust has delivered Board approved employee development initiatives to motivate, engage and support high performance and to retain key talent.</p> <p><b>Early Career Development</b> BDAT is a key strategic partner in the pilot of the Early Careers Framework with the Ambition Institute. This provides better and wider training for our early careers teachers than the traditional Initial Teacher Training (ITT) route only and provides mentoring and tutoring opportunities for our more experienced staff. During 2019-20 we also increased the number of ITT placements within our academies recruiting more Newly Qualified Teacher's (NQT) and teaching students within our Trust. We are the main partner in the roll out of the outstanding Gorse ITT to Bradford, which is part of the DFE Innovation work stream project. The number of apprentices also increased across the Trust utilising the Governments' apprenticeship levy program in core business and administrative support areas.</p> <p><b>Continuous Development</b> We appointed a Director for Professional and Careers Development during 2019-20 to strategically lead professional development. All academies have a ring fenced staff development budget to invest in their employees – we are seeking to maximise the effective use of this by investing in programmes across our family of schools. There has been a mixture of online, face-to-face, group and off site training and Continuous Professional Development (CPD) events utilising both in-house and external training. BDAT have continued to run our internal CPD programmes, peer networks and work streams throughout the pandemic utilising remote and online technology</p> <p><b>Leadership Development</b> BDAT staff have continued to be signposted to the full suite of National Professional Qualification (NPQ) leadership qualifications often utilising funding through the opportunity area. There are specific achievements during 2019-20 where 3 staff completed National Professional Qualification for Executive Leaders (NPQEL) and 2 staff completed a professional Human Resources Chartered Institute of Personnel and Development qualification. We launched and delivered the BDAT Leader of Education programme recognising talent and cross-trust working across Trust. This will be extended and rolled out in 2020-21</p> <p><b>Diversity and Wellbeing</b> Reflecting our Christian ethos and values. BDAT encourages academic, vocational, mental, physical, and spiritual opportunities and development for each member of its academies. We encourage both professional and personal development and seek to support staff wellbeing. The Trust and each of our academies have Diversity and Wellbeing policies that set out our wellbeing offer including coaching mentoring, lifestyle coaches and mindfulness. In 2020-21 the Trust will be focusing on Inclusion - one of the key BDAT values, shared across our family of schools. We define it as "understanding everyone is equal, without exception, valuing and encouraging diversity and difference and seeking to learn from others" We recognise 2020 has been a year where we have seen a number of inequalities, gaps and biases come to the forefront across our society. The Black Lives Matter agenda showed that inherent racial inequality and prejudice is still prevalent in our country and Covid-19 has exacerbated the class, poverty, BAME and ethnic divides across many of the most deprived areas in the UK. We will be launching our inclusion strategy in Autumn 2020 and setting up a staff working group to drive this across our schools.</p>



Stakeholder Group	Forms of Engagement	How this stakeholder group influenced the Board agenda and long term decision-making s172 (1)(a)
<p>Our Pupils s172(1)(c)(d)(e) The Trust supported 8,845 pupils during the financial year 2019-20 across our 17 academies. Each academy has a curriculum improvement plan with targeted support for pupils with the greatest need.</p>	<p>At Board level: Our academies hold the key relationship with our pupils. This is intentional as each of our schools are very different and serve a unique set of families. The Trust however does receive intelligence and data on a range of areas which highlight trends, concerns and areas for development. These include: attendance, safeguarding, behaviour, education outcomes, cultural capital and extracurricular experiences and so on.</p> <p>Trustees do have an active role within our Academies. From 2018 we established Trustee link roles where each Trustee is a named link with an Academy and spends time throughout the year within a school and talking to staff and students. This gives qualitative feedback on pupils' views and lived experiences.</p> <p>When the Trust lead on core school business activity e.g. headteacher recruitment, student voice is always built in to the interview process.</p> <p>At Academy level: Schools have extensive mechanisms to ensure student voice is heard. For example, most schools have student councils which feed directly in to Governors, most schools complete regular student and parent surveys throughout the year. All schools consult with pupils on significant changes such as school day, plans for trips, food choice, environment etc.</p>	<p>At Board level: Education outcomes and pupil experience is at the core of all strategic plans reflecting the Trust's mission statement "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".</p> <p>Trustee decision making is always informed by the qualitative and quantitative feedback set out in the column on the left. For example, the Trustees receive regular reports on the disadvantage gap and the impact of the pandemic in increasing disparity in children's outcome and the decline in attendance. As a result, Trustees have ensured that interventions focused on narrowing the gap and improving attendance are central to the 2020-21 Covid-19 Catch Up plans.</p> <p>At Academy level: Student feedback informs all areas of academy action planning. Governors and members of the central executive team regularly visit schools and talk directly to students and families to ensure they have a say.</p>

Stakeholder Group	Forms of Engagement	How this stakeholder group influenced the Board agenda and long term decision-making s172 (1)(a)
<p>Our Suppliers s172(1)(c)(e)</p> <p>Provide goods and services on which we rely to deliver a quality education to our pupils.</p>	<p>At Board level: Trustees are responsible for the strategic running of the Trust so do not frequently interact with suppliers. Reports are submitted to the Board on matters of importance regarding goods and services for example, when a concern arose around supplier contracts in line with the Trust ethos, Trustee advice was sought. Trustees do support high value procurement of suppliers for example Trust wide insurance or HR. The Finance and Resources Committee and the Audit Committee which are sub-committees of the Board review details of related party transactions and areas of high spend e.g. supply staff cover.</p> <p>At Academy level: The Trust's robust procurement policy with delegated authorities which are within the Scheme of Delegation. Academies regularly benchmark budgets to ensure value for money and spend against similar schools.</p>	<p>At Board level: The Board sets the principles around the type of supplier they want Trust business to be associated with e.g. companies with a similar ethos, companies with a local Bradford focus or companies with a charitable background. This provides the parameters for procurement. This is checked through external audit and concerns would be reported to the Board as appropriate. Trustees also pay particular attention to suppliers who may have a related party interest or are high value. Other than that, Trustees are not expected to interact with day to day transactional business.</p>
<p>Our Regulators s172(1)(c)</p> <p>This includes financial regulators such as the Education and Skills Funding Agency (ESFA), the Department for Education and Regional Schools Commissioner and other bodies who hold the Trust to account such as Ofsted or the Diocese of Leeds.</p>	<p>At Board level: It is the Trust's policy to be open and transparent in line with ESFA regulations and the Nolan Principles of Public Life. Trustees work closely with our external auditors to ensure a robust annual review is conducted. The Audit Committee and the Finance and Resources Committee review the annual reports and have the opportunity to discuss any audit findings.</p> <p>At Academy/Business level: There are 4 fundamental submissions annually to the ESFA:</p> <ul style="list-style-type: none"> <li>• Annual Report and Financial Statements this report reviews the past 12 month's operations from a corporate position.</li> <li>• Annual Academies Return,</li> <li>• Budget Forecast Return Budget</li> <li>• Forecast Return Outturn.</li> </ul> <p>Ofsted review the education standards within the Trust academies. Trustees are involved in all Ofsted inspections and have face-to-face inspection slots.</p> <p>We are also accountable as a church Trust to the Diocese of Leeds who frequently visit our schools and are invited to all Trust Board meetings.</p>	<p>All feedback from the bodies to which we are externally accountable is fed back to the full Trust Board, discussed in Board meetings and then used to inform future activity and priorities. For example, the performance of the Trust is reviewed by the Regional Schools Commissioner – the feedback letter from this was shared with Trustees and used to inform key governance and executive pay conversations.</p> <p>The Chief Financial Officer and the Chief Executive Officer ensure that all submitted returns are complete, accurate, consistent, timely and in compliance with ESFA's requirements.</p> <p>Feedback from the ESFA is usually conducted through the industry through revisions of the Academy Financial Handbook. These changes are summarised with actions required and communicated to the Board, governing body and Headteachers</p> <p>External inspection reports such as Ofsted reports are always shared with Trustees and frequently Head teachers or senior Trust staff will attend Boards to report lessons learned.</p> <p>Where appropriate, feedback or new guidance from regulatory bodies will be used to refresh school and Trust level policies. The Trust finance policies for example are reviewed each year following the release of the Academies Financial Handbook and Annual Accounts Directive. Many of the Trust HR policies were updated this year in light of the DFE Covid-19 Guidance for schools. These are scrutinised and signed off by Trustees.</p>

Stakeholder Group	Forms of Engagement	How this stakeholder group influenced the Board agenda and long term decision-making s172 (1)(a)
<p>Our Community and the local Environment s172(1)(d)(e)</p> <p>The local neighbourhood being local housing, businesses and the environment.</p>	<p>Understanding the local communities our students live in is key. The Trust Board delegates community links to each local governing body and school as they understand best the communities they serve and hold the strong links to the church, community and local businesses. Any concerns, positive feedback or complaints trends are reported back to the Trustees at academy level through the half-termly CEO report.</p> <p>While school governing bodies do take the main lead in liaising and supporting community issues, where concerns are significant the Trust do get involved to support the school voice for example this year we have directly contributed to support school concerns over a local road widening project and impact on air quality. We are also actively supporting another school in the location of a new car park build where the original proposed location highlighted potential safeguarding and road safety concerns.</p>	<p>Community engagement is usually driven at school level however during the pandemic the Trust took the unprecedented decision of writing directly to parents.</p> <p>If trends or concerns in community communications are picked up these are discussed at Trust Board. Our community are informed of large projects or any events that may impact the local community and always have the opportunity to alert BDAT to discuss concerns as well as the school. Websites and social media are regularly updated with latest news items and upcoming events.</p>





# 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 Board have declared three related party transactions in our financial statements for the period 1 September 2019 to 31 August 2020.

The first is the Diocese of Leeds for services to support the religious ethos and vision of the Trust. This related party transaction has a national exemption under the Academies Accounts Direction due to the bespoke nature of the Diocese to provide the services offered.

The second is an at cost non-executive supply cover agreement with a company in which a Trustee has an interest. This relationship has been disclosed to and approved by the Education and Skills Funding Agency for period 1 September 2019 to 31 August 2020. The Trustee ceased being a director of the company in December 2019.

The third is several small collaborative staff development sessions that Dixons Academies Charitable Trust provide. The related party transactions are that a trustee is also a Trustee of Dixons Academies Charitable Trust.

Both 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 28).





# Trustees' Report (continued)

## Strategic Report

### (Including a summary of the impact of COVID-19 Pandemic)

2019-2020 was a year of two halves – pre-Covid-19 and during Covid-19 – as unfortunately the impact of the Covid-19 pandemic inevitably overtook the running of the Academy Trust and our ability to work in the way we had envisaged.

This strategic summary has deliberately covered both halves of the year in one narrative as the impact of the latter six months has impacted so significantly on the ability to achieve against the measures we had set and would normally expect to report on within this Annual Report. For example, the absence of reliable summer exam results in 2020 and the absence of primary test data restricts the narrative available around academic achievement and performance,

Of particular note however it is important to stress that BDAT as a Trust has proven well positioned to manage the impact of the unforeseen pandemic:

**BDAT as a Trust  
has proven well  
positioned to  
manage the impact  
of the unforeseen  
pandemic**

- We have a strong, experienced and knowledgeable Trust Board, accustomed to working as a collective and capable of taking well-informed, considered and rapid decisions.
- We have an established and experienced Trust and school leadership team with the skill set to think reactively and lead through a time of crisis.
- We were entering a year of managed consolidation. We did not have the additional pressures of new schools joining or very significant change managements or structural reorganisation projects underway or planned for 2019-20.
- As a Trust our size and financial security allowed us some flexibility in reacting to the changes required for example, we were able to defer a number of planned school restructures, procure PPE in bulk at considerable cost savings and had well documented but flexible HR policies within the new BDAT contracts.
- As a Trust our collaborative approach to working as a "family of schools" by sharing good practice, producing centralised processes and risk documentation and sharing and intelligence has really come to the forefront in ensuring every academy is supported, challenged and protected in proactively responding to the ever-changing demands of the pandemic.

### Pre-Covid-19: September 2019 to March 2020

In September 2020 the Trust Board signed off an ambitious one-year action plan for the academic year. This plan was the first year of the three-five year BDAT Strategy "From Growth To Great" launched in April 2018, a copy of which can be found at: <https://www.bdat-academies.org/Trust-development>.

# Trustees' Report (continued)

## Strategic Report (continued)

The first six months of the year saw rapid progress in delivering this plan:

- Our education trajectory continued to improve with the majority of schools continuing to build on previous education improvements.
- We had one Ofsted inspection early in the academic year under the new Early Inspection Framework 2019 which saw The Academy at St James improve its rating from special measures to requires improvement.
- We had three SIAMS inspections during the Autumn term at Shipley Church of England Primary (awarded good), the Academy at St James (also awarded good) and Clayton St Johns (deemed to requires improvement). These were all positive inspections as all three of these Academies joined the Trust with a prior Ofsted inspection of special measures at the point of conversion.
- Both primary and secondary phases were predicting a further increase in academic performance (GCSE, key stage 2 performance) this year building on three-year prior improvements trends. External Trust validation broadly supported these predictions through a series of Academy visits.



**96% of staff agreed  
they were proud to  
work at their schools  
and for the Trust**

Trust staffing and retention trends also continue to be positive supporting our ambition to be an employer of choice with the Trust filling all vacancies. This included recruiting a number of senior school leaders and central Trust leaders. Staff retention continues to improve moving from 20.4% turnover in 2017-18, to 13.8% in 2018-19 to 11.6% in 2019-2020. The Trust completed a comprehensive staff satisfaction survey completed by 688 staff members (c.50%) in Spring 2020 (just prior to Covid-19) with some very pleasing results including:

- 97% staff confirming they enjoyed their work within BDAT.
- 96% of staff agreed they were proud to work at their schools and for the Trust.
- A major strength commented on was the positive relationships between colleagues, including with the central team.
- There is a projected stability of staff, with 72% of colleagues seeing themselves working within the Trust in two years' time.
- In the qualitative answers, there was a strong feeling of family.

The survey did highlight some further areas for development which have been fed in to the 2020-21 action plan in areas such as more support with workload, health, and wellbeing, clarity on our staff CPD and career offers and work around clear communications across schools and from the Trust.

# Trustees' Report (continued)

## Strategic Report (continued)

### During Covid-19 (March to August 2020)

Since schools partially closed at the end of March much of the Trust attention and workload necessarily had to move to supporting our schools to navigate their way through the pandemic, whilst remaining safe and secure for both staff and students.

Proactive communication was key to keep schools apprised and up to date with the tranches of government guidance and changes issued from March 2020 onwards. The main drivers for the Trust were to:

- Reduce anxiety and workload for schools by ensuring they had a clear and regular update on what they needed to be doing without each school leader having to react and read every piece of guidance.
- To ensure that schools had clear and robust frameworks to work to when planning opening or closures, risk assessing school sites and student returns or managing confirmed or potential virus cases.
- To ensure Trust and Governing bodies understood their roles in supporting and challenging school and had the tools to do so.
- Ensuring all staff had clear and unambiguous guidance in working through the pandemic and that all staff across all schools were treated equitably, fairly and with regard to their personal concerns.

**The wider  
reopening in June  
to core year  
groups went  
exceptionally well**

Throughout the directed school partial closures, Trustees, Chairs of Governors and school leadership teams have received updates on the strategic and operational management of school business. During the summer term these updates were sent daily and then reduced to weekly over the summer holidays.

All schools remained open to the families of key workers and vulnerable children throughout the Covid-19 pandemic from March 2020 including opening during school holidays and bank holidays. Uptake was varied depending on demand but every family who needed child care in school was provided with this throughout the term. Free school meals were also delivered throughout the period to all eligible children and any child a school identified as having need. This was initially done by school delivery to homes before the Trust transitioned to EdenRed for the majority of academies.

The wider reopening in June to core year groups went exceptionally well. All schools reopened in accordance with the plans agreed with the BDAT Executive Team, having met the key safety tests outlined by Trustees. All schools published full risk assessments to meet statutory requirements. The maximum number of children in school to date during the Summer 2 half term exceeded 1200 students (approximately 15% of our total population) and staff availability to work remained high throughout at over 90%.

Prior to the summer the Trust had no confirmed Covid-19 cases in any of our own academies, however we remain aware of a number of schools and Trusts in Bradford who have been affected. In preparation for this unfortunate likelihood, we provided schools with contingency planning checklists and documentation to support them in decision making and next steps should they have a confirmed case.

Towards the end of term, the Trust started planning for full opening in September by repeating the successful planning process we undertook in May with every school. All 17 schools met with the BDAT Executive Team on 15th and 16th July prior to the school break and secured approval for reopening plans and robust risk assessments (the latter of which were published online and shared with school colleagues and Unions).

# Trustees' Report (continued)

## Strategic Report (continued)

At the time of writing this report in September 2020 all schools had reopened successfully to all student and were implementing plans to fully or partially open as potential and confirmed Covid-19 cases begin to present in schools and we see signs of a second Covid-19 peak across the country.

We remain active in monitoring national and local guidance changes and regularly share information and practice with other Trusts in the city of Bradford and beyond.

The unprecedented impact of the pandemic was immediate and sustained from the lockdown on the 19 March 2020 on Trust schools operations and finances. This was a confusing time for all parties with daily changes in guidance both educationally and financially. It was therefore important that the Trust was driving the communication and taking the pressure away from the academy's leadership teams. An emergency communication network was created where the executive met every day at first and latterly twice a week with that information disseminated through the Education Directors in primary and secondary leaders' meetings. The Chief Executive Officer produced a daily email communication to Trustees, executive team, senior leaders and the central team which collated all the days' guidance from the government, ESFA, Local Authority and Department for Education.

### Financial Impact and Governance

The Board were kept fully apprised of all financial implications with three detailed Covid-19 financial impact reports between March 2020 and August 2020. They were also informed of representative guidance that the DfE published on Public Procurement Note 02/20 and latterly updated on Public Procurement Note 04/20 that has extended the period. The Trust supported its supply chain so that suppliers remained financially viable so that they could continue to support the Trust with their services.

The main losses to the Trust came from generated income streams such as Breakfast Clubs, After School Clubs and hiring of facilities/ There was no furloughing of staff across the Trust.

As a Trust we have closed with a healthy budget this year although we are acutely aware of the strain the virus has placed on a number of our smaller primary schools, due to loss of income largely relating to lettings and lack of ability to fund raise. The Board have been made aware of these issues as have local governing bodies. We have agreed a three year balanced budget with the Board moving forward including deficit recovery plans at academy level where needed. The coronavirus impact reports were further shared with Trustees in the Finance and Resources Committee and Audit Committee for additional scrutiny. The detail below shows financial comparison of the three reports:

	Mar F/cast £000	Mar-May Actual Jun-Aug F/cast £000	Mar- Aug Actual £000
Income not Realised	339	348	348
Addition Cost (+ve)/Saving(-ve)	(104)	82	82
<b>Predicted Covid-19 Impact</b>	<b>235</b>	<b>430</b>	<b>430</b>



# Trustees' Report (continued)

## Strategic Report (continued)



We do not currently believe the pension liability will be affected by the financial and operational impact of the virus although this has been included within the Trust risk log which is scrutinised by both the Board and audit committee. This remains regularly under review.

Our biggest risk currently is a loss of staffing due to Covid-19 and other unrelated sickness and the historic profile of our inherited ICT estate being inappropriate for delivering high quality blended learning.

To date as noted above, staffing levels remain good and the Trust is prioritising investment in ICT upgrades to ensure parity across sites and equity of access.

### Exceptional Cost Claim

The restrictive conditions for claiming exceptional costs were followed and the Accounting Officer and Chief Financial Officer scrutinised the process. There were 13 of the 17 academies who met the criteria and processed a claim. If all claims are acceptable the Trust will receive £70k in funds to recompense financial losses. This is less than 20% of total money spent on Covid-19 related costs.

# Trustees' Report (continued)

## Streamlined Energy and Carbon Reporting (SECR)

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) came into force on 1 April 2019. It requires large companies which consume (in the UK) more than 40,000 kWh of energy in a reporting period to include energy and carbon information. BDAT hits this criteria and therefore reports its findings.

**UK Annual Energy Use between 1 September 2019 – 31 August 2020 for:**

	Usage (kWh) or miles		Carbon Emissions (tonnes/CO <sub>2</sub> )	
	2018-19	2019-20	2018-19	2019-20
Electric	n/a	2,863,175	n/a	667.52
Gas	n/a	6,530,628	n/a	1200.79
Transport Fuel	n/a	39,219	n/a	1.56

**UK Greenhouse gas emissions and energy use data for the period 01 September 2019 to 31 August 2020**

Energy consumption used to calculate emissions (kWh)		9,440,171.27
Energy consumption break down (kWh) for electricity, gas and transport fuel.		
Scope Energy Source		Emissions Tonnes (CO <sub>2</sub> e)
<b>1</b>	Gas	1,200.79
	Oil	-
	Academy Vehicles	7.25
<b>2</b>	Electricity - Standard	667.52
	Electricity - Renewables/Nuclear	-
<b>3</b>	Staff mileage in year on Academy Business	4.31
Total Emissions		1,879.87
Intensity ratio		0.21

### Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

#### Action

Three key measures taken to improve energy efficiency

- 1** We have invested in LED lighting across the Trust via Salix Loans and capital with the aim of reducing energy consumption by over 20%
- 2** The Trust are working with the Ashden Charity to use best practice and drive carbon emissions to zero by 2030
- 3** We are looking to move all our servers to the cloud by September 2021

#### Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub> per pupil, the recommended ratio for the sector

# Trustees' Report (continued)

## Strategic 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 twenty 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 2019/20 with monthly management accounts and monthly matrices and Covid-19 impact statements.

### BDAT Matrices

Staffing	Trust			Primary			Secondary		
	Budget	Aug-20	Bench	Budget	Aug-20	Bench	Budget	Aug-20	Bench
Spend on Teaching Staff % of Total Expenditure	50.01%	48.14%		46.49%	44.28%		54.92%	52.93%	
Spend on Education Support Staff % of Total Expenditure	13.73%	15.00%		21.82%	21.56%		8.44%	10.68%	
Spend on Admin & Clerical Staff % of Total Expenditure	7.35%	6.67%		5.22%	4.96%		6.25%	5.20%	
Spend on Premises Staff % of Total Expenditure	2.41%	2.32%		2.79%	2.76%		2.16%	2.03%	
Spend on Other Staff % of Total Expenditure	3.25%	1.54%		1.57%	1.28%		4.35%	1.71%	
Spend on Agency Staff % of Total Expenditure	0.69%	2.08%		0.70%	1.89%		0.68%	2.20%	
Spend on Staff % of Total Expenditure	76.52%	74.80%	73.3%	78.60%	76.75%	72.9%	76.80%	74.75%	69.8%
<b>Non-Staff Expenditure</b>									
Spend on Maintenance % of Total Expenditure	1.00%	1.15%	2.1%	1.24%	1.49%	2.0%	0.91%	1.00%	2.0%
Spend on Teaching Resources % of Total Expenditure	5.19%	5.70%	4.2%	4.93%	5.13%	3.6%	5.39%	6.19%	4.8%
Other Expenditure % of Total Expenditure	23.48%	25.20%		21.40%	23.25%		23.20%	25.25%	
<b>Income</b>									
GAG Funding as % of Total Income (incl. Pupil Premium)	91.20%	90.45%		88.26%	88.34%		93.14%	91.80%	
Other Funding as % of Total Income	4.43%	4.22%		7.13%	6.96%		2.66%	2.45%	
Other Income as % of Total Income	4.35%	5.25%		4.58%	4.55%		4.20%	5.69%	
Total Income Per Pupil	£6,045	£6,251	£6,985	£5,664	£5,766	£5,086	£6,326	£6,609	£6,719
<b>Reserves</b>									
In Year Reserves % Total Income	0.31%	1.27%	1.0%	0.83%	-0.14%	2.7%	-0.04%	2.17%	2.7%

Benchmark - Kreston Group 2018/19

# Trustees' Report (continued)

## Strategic 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, including Covid-19, when budgeting with several pay factors unknown at the time of budgetary approval. BDAT Trustees also take a prudent and risk adverse position in assuming funding before it is confirmed to be available. Trustees are fully aware of all assumptions that have taken place during the production of the Trust and Academy 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 2020 the Trust employs 1,392 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 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 2019 gender pay gap report is the latest published position of the Trust as due to the Covid-19 pandemic as the regulatory requirement was relaxed for 2020. The 2019 report did show a reducing position and it is expected that this will continue in the next report. The Trust has a larger than average gender pay gap however, this is contextualised by the demographic of the employees in that in 2020 79.6% (2019: 79.7%) 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.



# Trustees' Report (continued)

## Strategic Report (continued)

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 includes:

- Providing the individual with information about what support and assistance is available to help them in their role and identifying and agreeing what reasonable adjustments will be made
- Acknowledging that individual 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 discussed during the normal induction programme to ensure a welcoming environment e.g. hearing loop for induction talks, accessible venues for induction activities and alternative methods of presenting information.

In addition to this, line managers have a responsibility to ensure that disabled staff are treated fairly and the same opportunities at work as non-disabled colleagues.



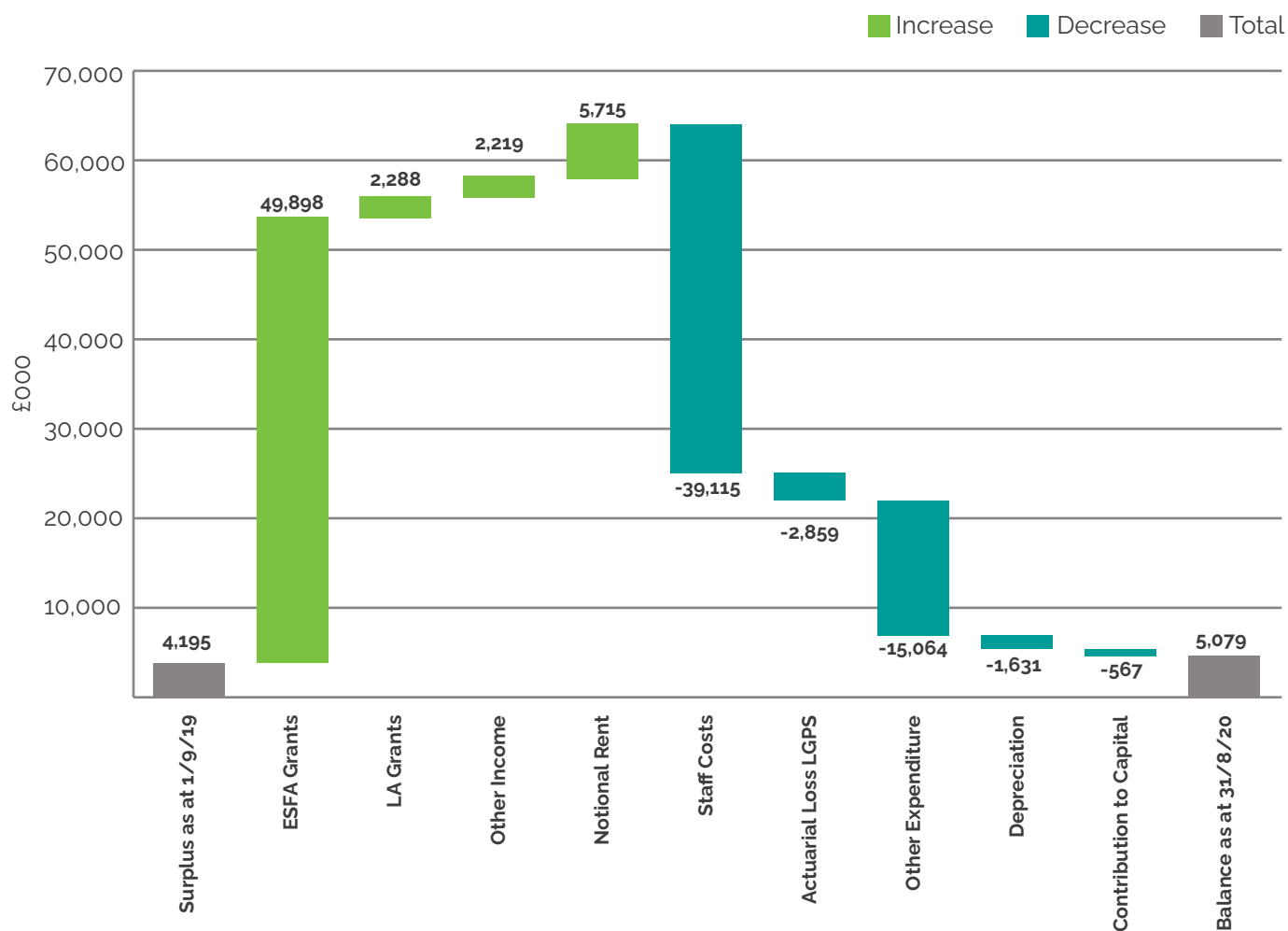
# Trustees' Report (continued)

## Financial Performance Report

### 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 1 September 2019 to 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

**Income and Expenditure in 2019/20 – reconciliation of revenue reserves**



The chart above reconciles the opening and closing revenue reserves position for the period 1 September 2019 to 31 August 2020 with the closing position having unrestricted revenue reserves of £4,492k and restricted revenue reserves £587k (excluding ring fenced Mary Evason Trust reserve)

# Trustees' Report (continued)

## Financial Performance Report (continued)

The Trust also receives grants for fixed assets through DFC (Devolved Formula Capital), SCA (School Condition Allocation) from the Education Skills and Funding Agency. These 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.

### Unrestricted Revenue In-Year Surplus



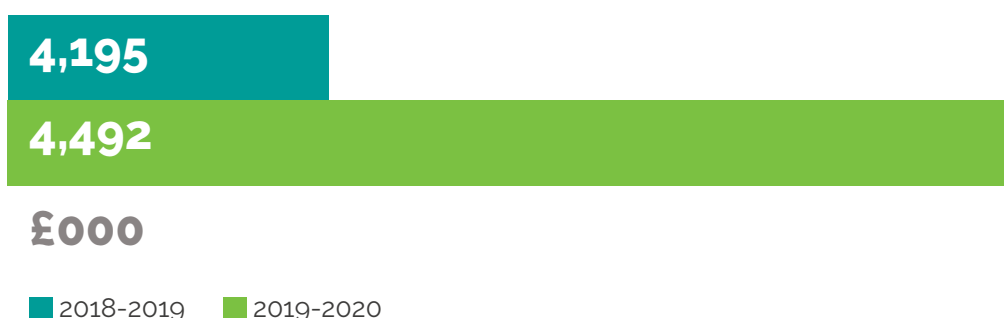
During the period 1 September 2019 to 31 August 2020: the Trust had an in year unrestricted revenue surplus of £297k (2019: £370k) and cumulative unrestricted revenue reserves of £4,492k (2019: £4,195k).



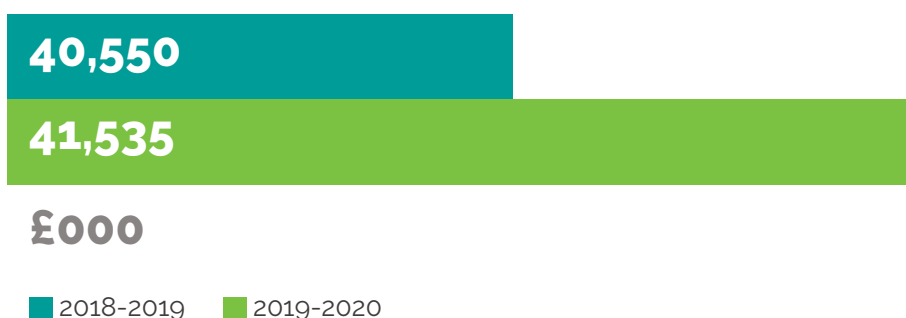
# Trustees' Report (continued)

## Financial Performance Report (continued)

### Cumulative Unrestricted Revenue Surplus



### Restricted Funds



The restricted funds chart shows £41,535k (2019: 40,550k) during the period ended 31 August 2020.

As at 31 August 2020, the net book value of fixed assets was £39,564k (2019: £39,606k) and movements in tangible fixed assets shown on note 12 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.



# Trustees' Report (continued)

## Financial Performance Report (continued)

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 head teacher. Budgets are approved by the Board and actual outcomes are reviewed on a regular basis. The Head teacher 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 is £4,492k (2019 - £4,195k)

The movement of funds to and from the reserves identified (other than movements from restricted to unrestricted) above will be at the discretion of the Trust 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.

### Net Current Assets



The Trust holds net current assets of £6,541k (2019: £5,203k) at the present time and this is listed on the balance sheet. The Trust held fund balances at 31 August 2020 of £19,795k (2019: £26,922k) comprising £40,907k (2019: £40,509k) of restricted fixed asset funds with an additional restricted revenue fund of £628k for the Mary Evason Legacy Fund (£41k) and restricted revenue reserves. The Local Government defined benefit pension reserve is in deficit as at 31 August 2020 in the sum of £26,232k (2019: £17,823k).

# Trustees' Report (continued)

## Financial Performance Report (continued)

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. There are several investment sectors that the Trust would not invest in e.g. gambling and alcohol. 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. The primary focus this year has been keeping children safe while continuing to provide a remote based education or on-site education depending on national or local guidance and local circumstances. There has been pressure on all funds to provide an education but also an extra responsibility for maintaining free school meals for the most vulnerable pupils. All the academies opening up to support key workers and vulnerable pupils whilst maintaining coronavirus restrictions.

The most significant financial risk is for those academies that have substantial generated private income streams that ceased due to the Covid-19 pandemic and all academies closing to the majority of pupils. The cost pressures of the unfunded pay rises for both teachers and support staff add increased pressure on already squeezed budgets.

The Board regularly reviews the Trust risk log and in 2019-20 has regularly reviewed the impact of external influences on its growth plan and strategic priorities.

# Trustees' Report (continued)

## Financial Performance Report (continued)

### 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 facilities, and other operational areas of the Trust including finance. The Trustees have implemented a number of systems to assess the risk that the Trust and academies face, especially in the operational areas such as teaching, health and safety and academy trips and in relation to the controls of finances. They have introduced systems including operational procedures (e.g. vetting of new staff and visitors, supervision on academy grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains, Trustees have ensured they have adequate insurance cover. The Trust has a system of internal financial controls which it continuously strives to improve.

### Financial and Risk Management Objectives and Policies

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

### 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.

### Funds Held as Custodian Trustee on Behalf of Others

The Trust has agreed to continue to administrate the Behaviour Attendance 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. This means the overall amounts within the fund have no effect on the funds of the Trust or Trust balance. The plan was to move these funds from the Trust's balances during the year but due to coronavirus restrictions there was no opportunity to arrange the new banking facility.



# Trustees' Report (continued)

## Plans for Future Period

The Trust have published a new action plan for 2020-21 agreed by the Board in July 2020. <https://www.bdat-academies.org/Trust-development/>. However as with the second half of 2020-21 our key focus for the next academic year remains supporting schools through the ongoing pandemic which sees signs of worsening again in our city and across the UK. A key role of the Trust will continue to be to steady and support our schools dealing with Covid-19 cases in staff and students and the knock on affects to staff availability and "bubble" or full closures.

### A key role of the Trust will continue to be steady and support our schools

The key education focus is to work with all academies to develop and implement a Covid-19 action plan which allows us to bridge any gaps in lost learning from the summer and get students ready for any exam series or potential testing regime implemented by the Government in summer 2021. The emphasis is not on catch up but ensuring our students have as robust and high quality curriculum offer as any other cohort would expect in any other given year. A key piece of work is to ensure the school systems are as able to deliver through remote or blended learning for children who cannot be in school as for those in the classroom. As part of this the Trust is scoping considerable investment in to a Trust wide digital strategy to ensure parity of access to ICT across all school sites and to support teachers who may need to work from home.

We continue our ambition to be a good employer and employer of choice in the sector and have plans to launch a further series of initiatives to realise this including remote induction processes; further roll out of the BDAT Leader of Education; online CPD (including a reciprocal offer with an outstanding local primary school) and launch of the BDAT Faculty of Learning to clarify and communicate the CPD and training available.

We continue to work with Gorse SCITT to roll out their outstanding ITT provision across our schools and are proud to be a delivery partner in the Ambition Institute of the Early Careers Framework. We remain committed to working as a strategic partner in the Bradford Teaching School Hub as it gathers pace this academic year.

We are reconsidering our self-imposed pause on growth this academic year as we have realised through the pandemic we have got capacity to support additional schools during the pandemic. Growth is likely to remain small, building on the successful relationships we have with partners outside the Trust.





# Trustees' Report (continued)

## 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 17 December 2020 and signed on its behalf:

*Tessa Mason*

**Mrs Theresa Mason**

Chair of Trustees



# 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.

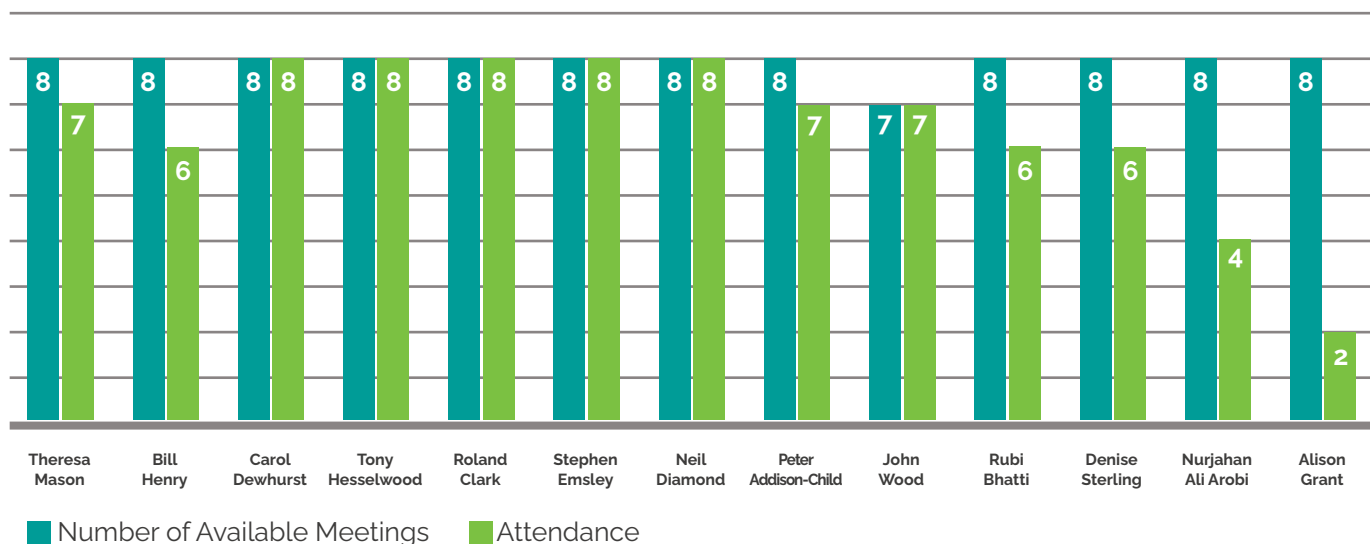
The Board of Trustees' has delegated the day-to-day responsibility to the Chief Executive Officer as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned 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 planned an initial six meetings between 1 September 2019 and 31 August 2020 but this was increased to eight with the Covid-19 pandemic. Attendance during the year at meetings of the governing body was as follows:

### Board Trustee Attendance



# Governance Statement (continued)

There were two appointments during the year:

1. **Canon John Wood** – 19 December 2019
2. **Mrs Catherine Wilson** – 22 October 2020

There were two resignations during the year:

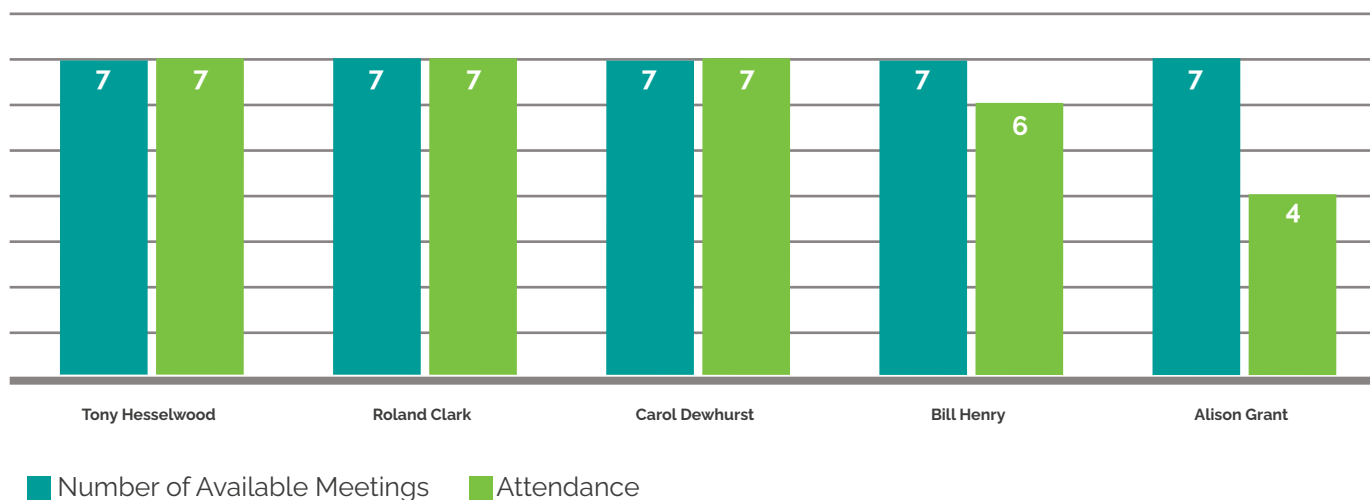
1. **Pauline Hagen** – 13 October 2019
2. **Alison Grant** – 17 September 2020

Each academy has its own Local Governing Body which has 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.

## Board Sub-Committee Structure and Attendance

The Finance and Resources Committee (FARC) 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. The FARC ensures that the appropriate financial and business advice and recommendations are made to the Board to ensure the ongoing viability of the organisation.

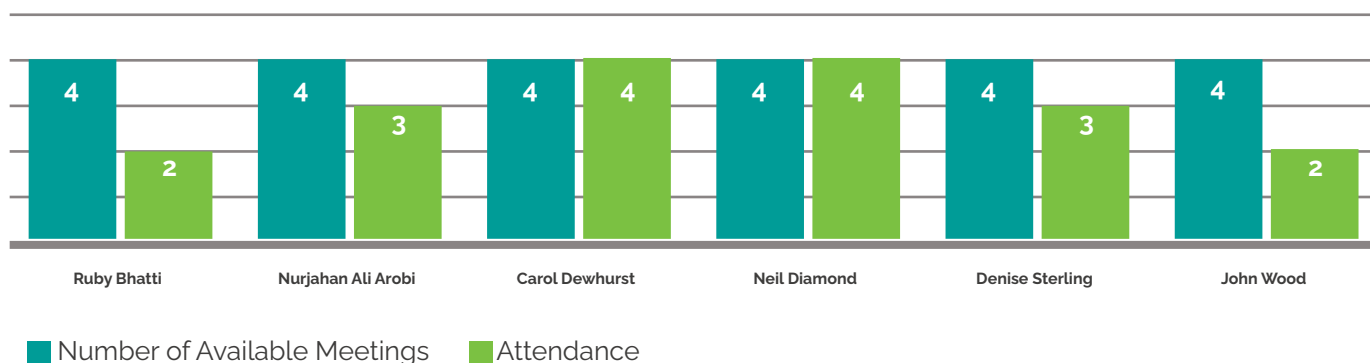
### Finance & Resources - Trustee Attendance



# Governance Statement (continued)

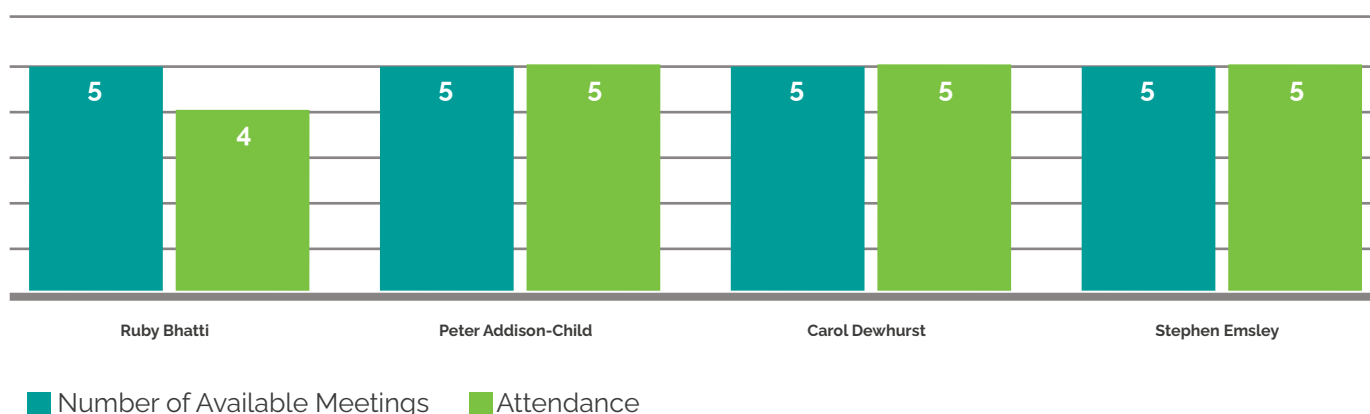
The Secondary Committee is a sub-committee of the main Board of Trustees. Its purpose is to evaluate the curricular performance of the secondary academies in the organisation.

## Secondary Committee- Trustee Attendance



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

## Primary Committee- Trustee Attendance

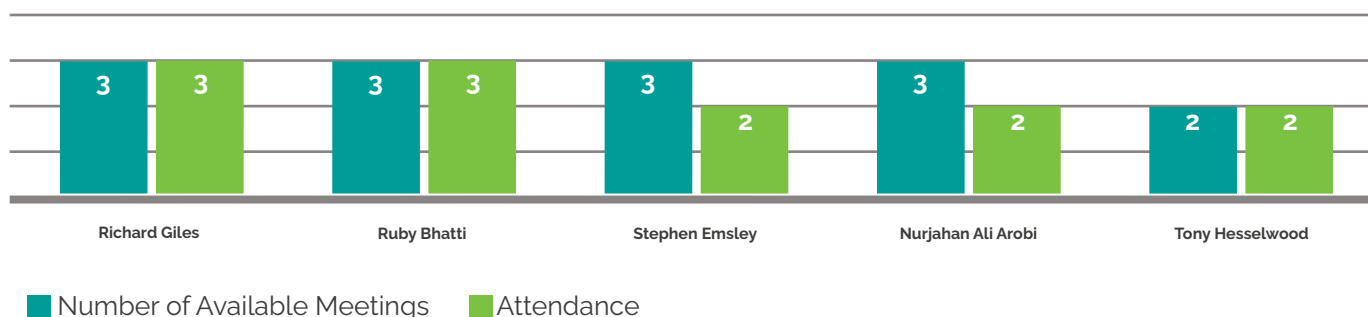




# Governance Statement (continued)

The Audit Committee is also a sub-committee of the main Board of Trustees. It has an independent Chair - Mr Richard Giles. This committee is commissioned to meet three times a year, from 1 September 2019 to 31 August 2020, to review all quality assurance, financial internal audit, external audit processes, health and safety and safeguarding. The committee produces an internal scrutiny report to detail the work that has been completed throughout the year.

## Audit Committee- Trustee Attendance



## 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.

# Governance Statement (continued)

The Trust has delivered improved value for money during the year by:

- Deploying a Covid-19 focused agile strategy whilst maintaining core business and education working groups via remote meetings. This has had a financial benefit and an environmental one.
- Group purchasing of PPE both gave the Trust economies of scale in purchasing but also took workload away from academies.
- Group purchasing of online training platforms for staff. This gave a standard approach to training across the Trust as well as economies of scale and will be further demonstrated next year through a Trust wide digital strategy.
- Further LED lighting projects continue across schools that long term will reduce energy costs.
- Emergency Executive Team Covid-19 meetings and communications to senior leaders. This has taken workload away from academies and given them direction in the Covid-19 strategies within their own academies.

## 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 mitigate the impact should they be realised, efficiently, effectively and economically. The system of internal control has been in place in Bradford Diocesan Academies Trust for the period 1 September 2019 to 31 August 2020 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 2019 and 31 August 2020 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 Audit committee approves an internal scrutiny plan and monitors progress throughout the year to produce a year-end report.

# Governance Statement (continued)

## 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 within 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 and agreed the following terms of reference:

- The Audit Committee met three times during the year 1 September 2019 to 31 August 2020 and considers all aspects of internal scrutiny as well as the external auditor's report and recommendations.

In 2019-20 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 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 by external providers such as Navigate, Fusion and B11 Education in the following areas: Human Resources, safeguarding, Health and Safety compliance and education.

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.

# 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.

A separate internal audit report has been published alongside these accounts giving full assurance and details of the internal review process and summarising further recommended actions.

Approved by order of the members of the Board Trustees on 17 December 2020 and signed on its behalf by:



**Mrs Theresa Mason**

Chair of Trustees



**Ms Carol Dewhurst**

Accounting Officer





# 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 2019.

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 2019.

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.



**Ms Carol Dewhurst**

Accounting Officer

17 December 2020



# Statement of Trustees' Responsibilities

## Year ended 31 August 2020

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 2019 to 2020;
- 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 and 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 17 December 2020 and signed on its behalf by:



**Mrs Theresa Mason**  
Chair of Trustees

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

## Opinion

We have audited the financial statements of Bradford Diocesan Academies Trust (the 'Trust') for the year ended 31 August 2020 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 2019 to 2020 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 2020, 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 2019 to 2020 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.

# **Independent Auditor's Report on the Financial Statements to the Members of the 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.



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

## 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.

## 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  
18 December 2020

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

In accordance with the terms of our engagement letter dated 14 July 2020 and further to the requirements of the Education Skills & Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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.

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

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.

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 2019 to 31 August 2020 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  
18 December 2020



# Statement of Financial Activities

## for year ended 31 August 2020

(including Income and Expenditure Account)

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	2019/20 Total	2018/19 Total
Income and endowments from:	Note	£000	£000	£000	£000	£000
Donations and capital grants	2,6	-	5,715	1,462	7,177	8,004
Transfer from Local Authority on Conversion	2	-	-	-	-	2,441
Charitable activities:						
Funding for the Trust's educational operations	3	-	52,186	-	52,186	48,625
Other trading activities	4	2,219	-	-	2,219	2,476
<b>Total</b>		2,219	57,901	1,462	61,582	61,546
<b>Expenditure on:</b>						
Raising Funds	5	3	-	-	3	416
Charitable activities:						
Academy Trust educational operations	7	1,352	60,173	1,631	63,156	59,780
<b>Total</b>		1,355	60,173	1,631	63,159	60,196
<b>Net income / (expenditure)</b>		864	(2,272)	(169)	(1,577)	1,350
<b>Transfers between funds</b>	17	(567)	-	567	-	-
<b>Other recognised gains /(losses):</b>						
Actuarial (losses) on defined benefit pension schemes	27	-	(5,550)	-	(5,550)	(7,135)
<b>Net movement in funds</b>		297	(7,822)	398	(7,127)	(5,785)
<b>Reconciliation of funds</b>						
Total funds brought forward		4,195	(17,782)	40,509	26,922	32,707
<b>Total funds carried forward</b>		4,492	(25,604)	40,907	19,795	26,922

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





# Balance Sheet

## as at 31 August 2020

		2019/20	2019/20	2018/19	2018/19
	Notes	£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible assets	12		39,564		39,606

<b>Current assets</b>					
Stock	13	2		5	
Debtors	14	1,698		1,423	
Cash at bank and in hand	24	8,216		8,281	
		9,916		9,709	

<b>Liabilities</b>					
Creditors: Amounts falling due within one year	15	(3,375)		(4,506)	
Net current assets			6,541		5,203

<b>Total assets less current liabilities</b>			46,105		44,809
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Creditors: Amounts falling due after more than one year	16		(78)		(64)
<b>Net assets excluding pension liability</b>			46,027		44,745

Defined benefit pension scheme liability	27		(26,232)		(17,823)
<b>Total assets</b>			19,795		26,922

<b>Funds of the Trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	17	40,907		40,509	
Restricted income fund	17	628		41	
Pension reserve	17	(26,232)		(17,823)	
<b>Total restricted funds</b>			15,303		22,727

<b>Unrestricted income funds</b>	17		4,492		4,195
<b>Total funds</b>			19,795		26,922

The financial statements were approved by the Trustees, and authorised for issue on 17 December 2020 and are signed on their behalf by:

Mr Anthony Hesselwood

Trustee.....



# Statement of Cash Flow

## for year ended 31 August 2020

	Notes	2020	2019
		£000	£000
Cash flows from operating activities			
Net cash (used in) provided by operating activities	21	9	1,591
Cash flows from investing activities	22	(98)	(628)
Cash flows from financial activities	23	24	45
Change in cash and cash equivalents in the reporting period		(65)	1,008
Cash and cash equivalents at 1 September 2019		8,281	7,273
Cash and cash equivalents at the 31 August 2020	24	8,216	8,281



# Notes to Financial Statements for year ended 31 August 2020

## Note 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 FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and the 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 (FRS102) (Charities SORP (FRS102)), the Academies Accounts Direction 2019 to 2020 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

The Trust meets the definition of the public benefit entity under FRS102.

### Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties, including Covid-19, 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 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 recognized 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 recognized 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 is no performance-related conditions), where the receipt is probable and it can be measured reliably.

### 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 hire of facilities, is recognised in the period it is received and to the extent the Trust has provided the goods and services.

### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from the 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 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 received by the Trust on conversion to an academy, the transferred assets are measured at a 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.



# Notes to Financial Statements

## for year ended 31 August 2020 (continued)

### Note 1 (continued)

#### Donated fixed assets (excluding Transfers on conversion into the Trust)

Where the donated good is a fixed asset it is measured at a 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 contributable 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 the depreciation charges allocated on the portion of the asset's use.

#### Expenditure on Raising Funds

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

#### 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.

#### 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 the 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 a full years' depreciation. Separate items within capital projects costs are assessed for depreciation on an individual basis. The depreciation rates are as follows:

<b>Long Leasehold Buildings</b> .....	<b>50 Years</b>
<b>Leasehold Improvements</b> .....	<b>5 or 50 Years</b>
<b>Plant &amp; Machinery</b> .....	<b>5 Years</b>
<b>Fixtures &amp; Fittings</b> .....	<b>5 Years</b>
<b>Motor Vehicles</b> .....	<b>5 Years</b>
<b>ICT Hardware</b> .....	<b>3 Years</b>
<b>Assets under Construction</b> .....	<b>see note below</b>

Leasehold Improvement depreciation are identified by project being either structural which is depreciated over 50 years or internal improvements which are depreciated over 5 years. Assets under construction are included in the 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 the 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 the Church Supplemental Agreement they are recognised 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 to 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.



# Notes to Financial Statements

## for year ended 31 August 2020 (continued)

### Note 1 (continued)

#### 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.

#### 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 at low risk categories however yielding the greatest returns. The investments will meet the Trust's ethical standards. The Trust currently manages a 32-day savings account which is not considered to be an investment but good treasury management. The current position is that all funds are held in cash and bank (note 21).

#### Financial Instruments

The Trust only holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the Trust and their measurement basis are the follows:

- **Financial assets** – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in (note 14). 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 (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 cash settlements has already taken place and there is not 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.

#### Pensions Benefits

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

#### Teacher Pension Scheme

The TPS is an unfunded scheme and the 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 the 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 27), the TPS is a multi-employer scheme with no underlying assets 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.

# Notes to Financial Statements

## for year ended 31 August 2020 (continued)

### Note 1 (continued)

#### Local Government Pension Scheme

The LGPS is a funded scheme and the assets are held separately from those of the 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.

#### Church of England Funded Pension Scheme (CEFPS)

A new funded scheme started from 1 January 1998 to provide benefits in respect of service from that date. It is called the Church of England Funded Pensions Scheme (CEFPS) and is an occupational pension scheme set up under trust. The cost of CEFPS benefits is met by the various church bodies and other organisations which participate on behalf of their employees and office holders. Contributions are paid to the Board as trustee of CEFPS by the participating organisations. Member contributions are not required unless through voluntary contributions.

#### Fund Accounting

Unrestricted Funds represent those resources which may be used towards meeting any of the charitable objects of the Trust at the discretion of the Trustees.

Restricted 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 the Department for Education.

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

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 27) will impact the carrying amount of the pension's liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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 of a property of Diocesan ownership.

# Notes to Financial Statements

## for year ended 31 August 2020 (continued)

### Note 2. Donations and capital grants

			2019/20	2018/19
	Unrestricted Funds	Restricted Funds	Total	Total
	£000	£000	£000	£000
Transfer on Conversion	-	-	-	2,441
Notional Donation in respect of rent	-	5,715	5,715	6,192
Capital Grants	-	1,380	1,380	1,531
Donations	-	82	82	281
	-	7,177	7,177	10,445

### Note 3. Funding for the Trust's Educational Operations

			2019/20	2018/19
	Unrestricted Funds	Restricted Funds	Total	Total
	£000	£000	£000	£000
<b>DfE / ESFA grants</b>				
General Annual Grant (GAG)	-	43,404	43,404	41,632
Start Up Grants	-	-	-	-
Other DfE/ESFA grants	-	6,425	6,425	4,684
	-	49,829	49,829	46,316
<b>Other Government grants</b>				
Local authority grants	-	1,644	1,644	1,753
Special educational needs	-	644	644	556
	-	2,288	2,288	2,309
<b>Exceptional government funding</b>				
Coronavirus Job Retention Scheme	-	-	-	-
Coronavirus exceptional support	-	69	69	-
Other Coronavirus funding	-	-	-	-
	-	52,186	52,186	48,625

The Trust has been eligible to claim exceptional funding in year from government support schemes in response to the coronavirus outbreak. The Trust was not eligible for the coronavirus job retention scheme.

The ESFA have approved £69k of the initial £71k coronavirus exceptional support claims with £2k being categorised as "Other" so additional ESFA scrutiny is being administered. The funds claimed for relate to 13 of our 17 academies and are for exceptional catering and cleaning costs. There are two further coronavirus exceptional claims that relate to catering staffing which will be submitted in the next claim window.

# Notes to Financial Statements

## for year ended 31 August 2020 (continued)

### Note 4. Other trading activities

			2019/20	2018/19
	Unrestricted Funds	Restricted Funds	Total	Total
	£000	£000	£000	£000
Catering	798	-	798	827
Other Income	399	-	399	339
Trips	234	-	234	360
Pupil /ITT Income	166	-	166	334
Breakfast/Clubs	136	-	136	177
Facilities	128	-	128	181
Trading with Other Trust	128	-	128	82
Insurance Refunds/Claims	92	-	92	66
Other Grants	88	-	88	35
Income from other charitable activities	50	-	50	75
	2,219	-	2,219	2,476

### Note 5. Expenditure

	Non Pay Expenditure			2019/20	2018/19
	Staff Costs	Premises	Other	Total	Total
	£000	£000	£000	£000	£000
Expenditure on raising funds:					
Allocated support costs	-	-	3	3	416
Trust's educational operations:					
Direct costs	36,622	-	3,140	39,762	36,878
Allocated support costs	8,226	11,942	3,226	23,394	22,902
	44,848	11,942	6,369	63,159	60,196
Net Income/(expenditure) for the period includes:			2019/20	2018/19	
			£000	£000	
Operating lease rentals			7,247	6,122	
Depreciation			1,631	1,261	
Fees payable to auditor for:					
- Audit			29	30	
- Other services			9	6	
Indemnity Insurance			5	5	
Trustee Reimbursed Expenses			2	2	

# Notes to Financial Statements

## for year ended 31 August 2020 (continued)

### Note 6. Analysis of grants

			2019/20	2018/19
	Unrestricted Funds	Restricted Funds	Total	Total
	£000	£000	£000	£000
Improvements to diocesan property occupied by the Trust	0	-	0	262
	0	-	0	262

### Note 7. Charitable Activities

	2019/20	2018/19
Total	Total	
£000	£000	
Direct costs - educational operations	39,762	36,878
Support costs - educational operations	23,394	22,902
	63,156	59,780

		2019/20	2018/19
Analysis of support costs	Educational Operations	Total	Total
	£000	£000	£000
Support staff costs	8,226	8,226	7,797
Depreciation	1,631	1,631	1,260
Technology costs	588	588	576
Premises costs	9,723	9,723	10,585
Other support costs	3,186	3,186	2,640
Governance costs	40	40	44
Total support costs	23,394	23,394	22,902



# Notes to Financial Statements

## for year ended 31 August 2020 (continued)

### Note 8. Staff

	2019/20	2018/19
<b>a. Staff costs</b>		
Staff costs during the period were:	<b>Total</b>	Total
	<b>£000</b>	£000
Wages and salaries	<b>31,754</b>	30,360
Social security costs	<b>3,088</b>	2,947
Pension Costs	<b>8,859</b>	6,738
	<b>43,701</b>	40,045
Agency Staff Costs	<b>1,135</b>	1,349
Staff restructuring costs	<b>12</b>	231
	<b>44,848</b>	41,625
Staff restructuring costs comprise:		
Redundancy payments	<b>10</b>	26
Severance payments	<b>2</b>	158
Other restructuring costs	<b>-</b>	47
	<b>12</b>	231

#### b. Non statutory/non contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling 2020: £2k (2019: £18k). Individually, the payments were: £2k.

#### c. Staff numbers

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

	2019/20	2018/19
	<b>No.</b>	No.
Teachers	<b>452</b>	435
Administration and support	<b>843</b>	824
Management	<b>97</b>	94
	<b>1,392</b>	1,353

# Notes to Financial Statements

## for year ended 31 August 2020 (continued)

### Note 8. Staff (continued)

#### d Higher paid staff

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

	2019/20	2018/19
	No.	No.
£60,001 - £70,000	23	18
£70,001 - £80,000	9	6
£80,001 - £90,000	3	2
£90,001 - £100,000	-	-
£100,001 - £110,000	2	3
£110,001 - £120,000	2	-
£150,001 - £160,000	-	1

Thirty-six of the thirty-nine above employees participated in the Teachers' Pension Scheme compared with 2019 twenty-seven of thirty participated in the Teachers' Pension Scheme.

There were three 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 and page 4.

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 £597,477 (2019: £434,182).

# Notes to Financial Statements

## for year ended 31 August 2020 (continued)

### Note 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:** **£110,000 - £120,000** (2019: £100,000 - £110,000)

**Employer's pension contributions paid** **£15,000 - £20,000** (2019: £15,000 - £20,000)

During the period ended 31 August 2020, travel and subsistence expenses totalling £2,323 (including the Chief Executive Officer) were reimbursed or paid directly to 4 Trustees (2019: £1,616 to 2 Trustees).

### Note 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 2019 to 31 August 2020 was £2,800 (2019: £4,600). The cost of this insurance is included in the total insurance cost.

### Note 11. Central Services

The Trust has provided business and education services to its academies during the year for the following service:

- Education Quality Assurance
- Education Data management software
- Governance Support and Clerking
- Finance Support including Statutory Accounts
- Financial Systems & licensing
- Payroll & Pension Services
- Apprenticeship Levy & Management
- Budget Management Software
- Health & Safety Compliance Software
- Insurance
- Risk Management Software & Support
- Human Resources Support
- Conversion Support and TUPE.
- Internal & External Audit
- Policy Compliance
- Estates Management
- Safeguarding Quality Assurance
- Head, Governors and Business Manager Training

# Notes to Financial Statements

## for year ended 31 August 2020 (continued)

### Note 11. Central Services (continued)

The Trust retention slice for these services was 4.5% of GAG income.  
These services are reviewed at least annually to reflect school needs.

The actual amounts charged during the year were as follows:	2019/20	2018/19
	£000	£000
Academy At St James	59	60
Belle Vue Girls' Academy	301	285
Bradford Forster Academy	257	207
Buttershaw Business & Enterprise College Academy	382	379
Christ Church C of E Academy	44	43
Clayton St John C of E Primary Academy	70	68
Cullingworth Primary School	53	47
East Morton C of E Primary School	38	36
Immanuel College	329	304
Oxenhope C of E Primary School	34	35
Shipley C of E Primary School	41	33
St Johns C of E Primary School	82	79
St Oswalds C of E Primary Academy	84	77
St Philips C of E Primary School	43	42
Westminster C of E Primary Academy	117	116
Woodlands C of E Primary Academy	23	21
Wycliffe C of E Primary School	57	48
<b>Total</b>	<b>2,014</b>	<b>1,880</b>

An additional 2% is charged for all schools that are sponsored until they achieve an Ofsted "Good" rating and is allocated for targeted support for school improvement.

	£000	£000
Academy At St James	26	26
Buttershaw Business & Enterprise College Academy	170	168
Clayton St John C of E Primary Academy	31	30
Shipley C of E Primary School	18	14
Westminster C of E Primary Academy	52	51
Wycliffe C of E Primary School	25	21
	322	310
<b>Total</b>	<b>2,336</b>	<b>2,190</b>

# Notes to Financial Statements

## for year ended 31 August 2020 (continued)

### Note 12. Tangible Fixed Assets

	Leasehold Land and Buildings	Leasehold Improvements	Assets Under Construction	Plant and Machinery	Furniture and Equipment	Computer Hardware	Motor Vehicle	Total
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost</b>								
At 1 September 2019	37,062	1,239	341	384	2,737	1,936	1	43,700
Additions	-	503	305	162	237	329	54	1,590
Transfer Donated Asset	-	486	(486)	-	-	-	-	-
At 31 August 2020	37,062	2,228	160	546	2,974	2,265	55	45,290
<b>Depreciation</b>								
At 1 September 2019	1,248	44	-	-	1,308	1,494	1	4,095
Charged in year	743	92	7	77	493	219	-	1,631
At 31 August 2020	1,991	136	7	77	1,801	1,713	1	5,726
<b>Net book values</b>								
At 31 August 2019	35,814	1,195	341	384	1,429	442	-	39,605
At 31 August 2020	35,071	2,092	153	469	1,173	552	54	39,564

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 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 the properties held in the Trust by the Leeds Diocesan Board of Finance and will operate under the above policy. There were no additional academies that joined the Trust during 2019/2020.

The land and buildings held under the Local Authority are held under a 125-year lease. These academies are listed below:

- Belle Vue Girls' Academy
- Bradford Forster Academy
- Cullingworth Village Primary School
- St Philips Church of England Primary Academy
- All Playing Fields

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



# Notes to Financial Statements

## for year ended 31 August 2020 (continued)

### Note 13. Stock

	2019/20	2018/19
	£000	£000
Catering Stock	2	5
<b>Total</b>	<b>2</b>	<b>5</b>

### Note 14. Debtors

	2019/20	2018/19
	£000	£000
Trade debtors	33	54
VAT recoverable	340	217
Other Debtors	6	-
Prepayments and accrued income	1,319	1,152
<b>Total</b>	<b>1,698</b>	<b>1,423</b>

### Note 15. Creditors: Amounts Falling due within one year

	2019/20	2018/19
	£000	£000
Trade creditors	823	1,122
Other taxation and social security	729	714
Other ESFA creditors	56	63
Other creditors including salix	728	1,451
Accruals and deferred income	1,039	1,156
<b>Total</b>	<b>3,375</b>	<b>4,506</b>

Deferred income	2019/20	2018/19
	£000	£000
Deferred income at 1 September 2019	494	615
Released from previous years	(494)	(615)
Resources deferred in the year	476	494
Deferred Income at 31 August 2020	476	494

### Note 16. Creditors: Amounts Falling due in greater than one year

	2019/20	2018/19
	£000	£000
Salix Loan	78	64
<b>Total</b>	<b>78</b>	<b>64</b>

# Notes to Financial Statements

## for year ended 31 August 2020 (continued)

### Note 17. Funds

	Balance at 1 Sept 2020	Income	Expenditure	Gains Losses & Transfers	Balance at 31 August 2020
	£000	£000	£000	£000	£000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	43,404	(43,404)	-	-
Other Annual Grants	-	14,497	(13,910)	-	587
Start Up Grant	-	-	-	-	-
School Improvement	-	-	-	-	-
Mary Evason Trust	41	-	-	-	41
Pension reserve	(17,823)	-	(2,859)	(5,550)	(26,232)
	(17,782)	57,901	(60,173)	(5,550)	(25,604)
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants	3,031	1,380	(122)	-	4,289
Local Authority Capital Sponsorship	13,408	-	(540)	-	12,868
Private Capital Donation	176	82	(7)	-	251
Capital Expenditure from GAG	1,946	-	(78)	567	2,435
Transfer on conversion	21,948	-	(884)	-	21,064
	40,509	1,462	(1,631)	567	40,907
<b>Total restricted funds</b>	<b>22,727</b>	<b>59,363</b>	<b>(61,804)</b>	<b>(4,983)</b>	<b>15,303</b>
<b>Total unrestricted funds</b>	<b>4,195</b>	<b>2,219</b>	<b>(1,355)</b>	<b>(567)</b>	<b>4,492</b>
<b>Total funds</b>	<b>26,922</b>	<b>61,582</b>	<b>(63,159)</b>	<b>(5,550)</b>	<b>19,795</b>

The 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 2020.

#### Other Annual Grants

The funds relate to other ESFA/DfE grants received to carry out objectives of the academies.

#### Start Up Grants

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

# Notes to Financial Statements

## for year ended 31 August 2020 (continued)

### Note 17. Funds (continued)

#### 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 that was inherited when Belle Vue Girls' Academy joined the Trust and is to be used for foreign travel.

	Balance at 1 Sept 2020	Income	Expenditure	Gains Losses & Transfers	Balance at 31 August 2020
	£000	£000	£000	£000	£000
<b>Restricted general funds</b>					
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)
<b>Restricted fixed asset funds</b>					
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
<b>Total restricted funds</b>	<b>28,951</b>	<b>59,081</b>	<b>(58,634)</b>	<b>(6,671)</b>	<b>22,727</b>
<b>Total unrestricted funds</b>	<b>3,756</b>	<b>2,465</b>	<b>(1,562)</b>	<b>(464)</b>	<b>4,195</b>
<b>Total funds</b>	<b>32,707</b>	<b>61,546</b>	<b>(60,196)</b>	<b>(7,135)</b>	<b>26,922</b>

# Notes to Financial Statements

## for year ended 31 August 2020 (continued)

### Note 17. Funds (continued)

#### Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:	2019/20	2018/19
	£000	£000
Academy At St James	8	61
Belle Vue Girls' Academy	1294	1168
Bradford Forster Academy	1416	896
Buttershaw Business & Enterprise College Academy	92	15
Christ Church C of E Academy	6	51
Clayton St John C of E Primary Academy	(93)	(114)
Cullingworth Primary School	67	58
East Morton C of E Primary School	125	218
Immanuel College	481	475
Oxenhope C of E Primary School	(10)	(8)
Shipley C of E Primary School	(42)	(20)
St Johns C of E Primary School	91	216
St Oswalds C of E Primary Academy	401	297
St Philips C of E Primary School	52	55
Westminster C of E Primary Academy	392	233
Woodlands C of E Primary Academy	(15)	(20)
Wycliffe C of E Primary School	14	(29)
Mary Evason Trust (BVG)	41	41
Central services (LGPS Reserve)	375	375
Central services	425	268
<b>Total before fixed assets and pension reserve</b>	<b>5,120</b>	<b>4,236</b>
Restricted fixed asset fund	40,907	40,509
Pension reserve	(26,232)	(17,823)
<b>Total</b>	<b>19,795</b>	<b>26,922</b>

Oxenhope C of E Primary School, East Morton C of E Primary School and St Johns C of E Primary School have deficit positions due to lost private income streams from the Covid-19 pandemic.

Shipley C of E Primary School has a deficit due to a paused restructure due the Covid-19 pandemic.

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 a new nursery open and the Covid-19 pandemic has caused the admissions to be lower than anticipated.

All school budgets continue to be monitored closely by the Trust.

# Notes to Financial Statements

## for year ended 31 August 2020 (continued)

### Note 17. Funds (continued)

#### Analysis of academies by cost

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

	Teaching & Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs Excluding Depreciation	2019/20 Total	2018/19 Total
	£000	£000	£000	£000	£000	£000
Academy At St James	1,313	74	191	258	1,836	1,733
Belle Vue Girls' Academy	5,259	870	495	518	7,142	6,901
Bradford Forster Academy	3,987	529	553	706	5,775	4,714
Buttershaw Business & Enterprise College Academy	5,917	482	842	2,175	9,416	9,215
Christ Church C of E Academy	740	87	172	224	1,223	1,227
Clayton St John C of E Primary Academy	1,340	225	146	144	1,855	2,073
Cullingworth Primary School	933	154	78	171	1,336	1,247
East Morton C of E Primary School	717	80	116	100	1,013	940
Immanuel College	5,674	916	780	955	8,325	7,642
Oxenhope C of E Primary School	574	87	60	145	866	893
Shipley C of E Primary School	803	71	75	180	1,129	926
St Johns C of E Primary School	1,681	243	197	303	2,424	2,240
St Oswalds C of E Primary Academy	1,550	187	190	260	2,187	2,150
St Philips C of E Primary School	871	128	53	180	1,232	1,182
Westminster C of E Primary Academy	2,066	217	259	346	2,888	2,887
Woodlands C of E Primary Academy	444	39	48	75	606	573
Wycliffe C of E Primary School	986	105	75	261	1,427	1,315
Central Services	632	3,732	138	6,346	10,848	11,078
<b>Academy Trust</b>	<b>35,487</b>	<b>8,226</b>	<b>4,468</b>	<b>13,347</b>	<b>61,528</b>	<b>58,936</b>



# Notes to Financial Statements

## for year ended 31 August 2020 (continued)

### Note 18. Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Tangible fixed assets	-	-	39,564	39,564
Current assets	4,492	4,081	1,343	9,916
Current liabilities	-	(3,375)	-	(3,375)
Current liabilities > 1 Year	-	(78)	-	(78)
Pension scheme liability	-	(26,232)	-	(26,232)
<b>Total net assets</b>	<b>4,492</b>	<b>(25,604)</b>	<b>40,907</b>	<b>19,795</b>

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

	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)
<b>Total net assets</b>	<b>4,195</b>	<b>(17,782)</b>	<b>40,509</b>	<b>26,922</b>

### Note 19. Capital commitments

	2019/20	2018/19
	£000	£000
Contracted for, but not provided in the financial statements	336	172

# Notes to Financial Statements

## for year ended 31 August 2020 (continued)

### Note 20. Commitments under operating leases

#### Operating Leases

At 31 August 2020 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.

	2019/20	2018/19
	£000	£000
Amounts due within one year	1,532	1,490
Amounts due between one and five years	5,863	5,807
Amounts due after five years	11,305	12,724
<b>Total</b>	<b>18,700</b>	<b>20,021</b>

#### Non-cancellable contracts

At 31 August 2020 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:

	2019/20	2018/19
	£000	£000
Amounts due within one year	5,715	6,192
Amounts due between one and five years	6,215	6,692
<b>Total</b>	<b>11,930</b>	<b>12,884</b>

# Notes to Financial Statements

## for year ended 31 August 2020 (continued)

### Note 21. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019/20	2018/19
	£000	£000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(1,577)	1,350
<b>Adjusted for:</b>		
Depreciation charges (note 12)	1,631	1,261
Capital grants from DfE and other capital income (note 22)	(1,380)	(1,531)
Interest receivable	(20)	(19)
Defined benefit pension scheme obligation inherited	-	819
Defined benefit pension scheme cost less contributions payable (note 27)	2,418	(1,069)
Defined benefit pension scheme finance cost (note 27)	326	216
(Increase)/decrease in stocks	3	(3)
(Increase)/decrease in debtors	(275)	(271)
Increase/(decrease) in creditors	(1,117)	838
<b>Net cash provided by / (used in) Operating Activities</b>	<b>9</b>	<b>1,591</b>

### Note 22. Cash flows from investing activities

	2019/20	2018/19
	£000	£000
Dividends, interest and rents from investments	-	-
Purchase of tangible fixed assets	(1,482)	(2,164)
Capital grants from DfE/ESFA	1,380	1,536
Capital grants from sponsors and others	5	-
<b>Net cash provided by / (used in) investing activities</b>	<b>(97)</b>	<b>(628)</b>

### Note 23. Cash flows from financing activities

	2019/20	2018/19
	£000	£000
Repayments of borrowing - Salix	(7)	(7)
Cash Inflows from new borrowing	31	52
<b>Net cash provided by / (used in) financing activities</b>	<b>24</b>	<b>45</b>

### Note 24. Analysis cash and cash equivalents

	2019/20	2018/19
	£000	£000
Cash in hand and at bank	8,216	8,281
<b>Total cash and cash equivalents</b>	<b>8,216</b>	<b>8,281</b>

# Notes to Financial Statements

## for year ended 31 August 2020 (continued)

### Note 25. Analysis of changes in net debt

	At 1 September 2019	Cash Flows	Acquisition/ Disposal of Subsidiaries	New Finance Leases	Other Non- Cash Changes	At 31 August 2019
	£000	£000	£000	£000	£000	£000
Cash	8,281	(65)	-	-	-	8,216
Cash equivalents	-	-	-	-	-	-
Overdraft facility repayable on demand	-	-	-	-	-	-
			-			
Loans falling due within one year	-	-	-	-	-	-
Loans falling due after more than one year	45	24	-	-	-	69
Finance lease obligations	-	-	-	-	-	-
<b>Total</b>	<b>45</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69</b>

### Note 26. 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.

### Note 27. Pension and similar obligations

The Trust's employees belong to two principal pension schemes with a third pension scheme available to clergy members. 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. There is a third pension scheme the Clergy Pension Scheme which is for employed clergy within the Trust. All three are multi-employer defined benefit pension schemes. The latest actuarial valuation of the TPS related to the period ended 31 March 2019 and the LGPS 31 March 2019. There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

#### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment. The TPS is an unfunded scheme to which both the member and the employer makes contributions, as a percentage of salary – these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

#### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the level of future costs, design of benefits and many other factors.

# Notes to Financial Statements

## for year ended 31 August 2020 (continued)

### Note 27. Pension and similar obligations (continued)

The latest actuarial valuation of the TPS was carried out as at 31 March 2016. 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 0.08% administration levy).
- 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.
- The SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI 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 including earnings growth is 4.45%.

The next valuation result is due to be implemented from the 1 April 2023.

The employer's pension costs paid the TPS in the period amounted to £4,514k (2019: £2,902k)

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

Under the definitions set out in FRS102, the TPS is an unfunded multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in a separate Trustee-administered funds earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings scheme. Details of the benefits earned over the period covered by the disclosure are set out in the Local Government Pension Scheme Regulations 2013 (as amended) and the Local Government Pension Scheme (transitional Provisions, Savings and Amendment) regulations 2014 (as amended).

#### Funding/Governance Arrangements of the LGPS

The funded nature of the LGPS requires participating employers and employees to pay contributions into the fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in the "Local Government Pension Scheme Regulations 2013" and the funds' Funding Strategy Statement. The last actuarial valuation is set out in the funds' rates and adjustment certificate. The fund's administering authority, City of Bradford Metropolitan District Council, is responsible for the governance of the fund.

#### Assets

The assets allocated to the employer in the fund are notional and are assumed to be invested in line with the investments of the fund for the purposes of calculating the return over the accounting period. The fund holds a significant proportion of its assets in liquid investments. As a consequence, there will be no significant restriction on realising assets if a large payment is required to be paid from the fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the fund as a whole (based on data supplied by the fund Administering Authority) is shown in the disclosures. The fund Administering Authority may invest a small proportion of the fund's investments in the assets of some of the employers participating in the fund if it forms part of their balanced investment strategy.



# Notes to Financial Statements

## for year ended 31 August 2020 (continued)

### Note 27. Pension and similar obligations (continued)

#### Risks Associated with the fund in relation to accounting

##### Asset Volatility

The liabilities used for accounting purposes are calculated using a discount rate set with reference to a corporate bond yields at the accounting date. If assets underperform this yield will create a deficit in the accounts. The fund holds a significant proportion of growth assets which, while expected to outperform corporate bonds in the long term, creates volatility and risk in the short term in relation to the accounting figures.

##### Changes in Bond Yield

A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes although this will be marginally offset by the increase in the assets as a result (to the extent the fund invests in corporate bonds).

##### Inflation Risks

The majority of pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to a higher liability value. The assets are not perfectly correlated with inflation meaning that an increase in inflation will increase the deficit.

##### Life Expectancy

The majority of the funds obligations are to provide benefits for the life of then member following retirement, so increases in life expectancy will result in an increase in the liabilities.

##### Exiting Employers

Employers which leave the fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the employer (or guarantor) is not able to meet this exit payment the liability may in certain circumstances fall on other employers in the fund. Further the assets at exit in respect of "orphan liabilities" may, in retrospect, not be sufficient to meet the liabilities. This risk may fall on other employers. "Orphan Liabilities" are currently a small proportion of the overall liabilities in the fund.

##### Summary

The total contributions made for year ended 31 August 2020 was £2,082k (2019: £1,944k), of which employer's contributions totaled £1,486k (2019: £1,406k), and employees' contributions totaled £596k (2019: £566k). The agreed contributions rates for future years are between 15.3% and 16.5% for employers and between 5.5% and 12.5% for employees.

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

# Notes to Financial Statements

## for year ended 31 August 2020 (continued)

### Note 27. Pension and similar obligations (continued)

#### McCloud Judgement.

In December 2018, the McCloud judgement found that the transitional protection arrangements put in place for the firefighters' and judges' pension schemes were age discriminatory.

A new calculation has been undertaken for all employers including those who accounted for McCloud in 2019. The calculations are based upon the employer's membership data provided for the actuarial valuation as at 31 March 2019. The cost allows for the detailed age profile, proportion of males and females, and the proportion of pre 2012 joiners of the employer at the 2019 valuation.

#### The assumptions used in the valuations are:

Discount rate .....	2.40%
Inflation rate .....	2.20%
Salary Increases .....	3.45%

#### The Clergy Pension Scheme

This is non-contributable scheme for employees and a fixed monthly employer charge. The total contributions made for year ended 31 August 2020 was £5k (2019: £0), of which employer's contributions £5k (2019: £0),

#### Principal Actuarial Assumptions

	2019/20	2018/19
Rate of increase in salaries	3.45%	3.25%
Rate of increase for pensions in payment/inflation	2.20%	2.00%
Discount rate for scheme liabilities	1.70%	1.90%
Inflation assumption (CPI)	2.20%	2.00%

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

	2019/20	2018/19
Retiring today		
Males	21.8	22.2
Females	24.6	25.4
Retiring in 20 years		
Males	22.5	23.2
Females	25.7	27.2

# Notes to Financial Statements

## for year ended 31 August 2020 (continued)

### Note 27. Pension and similar obligations (continued)

#### Sensitivity Analysis

	2019/20	2018/19
	£000	£000
Discount rate +0.1%	52,285	42,730
Discount rate -0.1%	55,130	44,821
Mortality assumption - 1 year increase	51,748	45,203
Mortality assumption - 1 year decrease	55,614	42,340
CPI rate +0.1%	53,896	44,167
CPI rate -0.1%	53,466	43,363

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

	2019/20	2018/19
	£000	£000
Equities	21,355	20,130
Property	1,180	1,141
Government bonds	2,663	2,724
Corporate bonds	1,372	1,167
Cash	467	493
Other	412	285
<b>Total market value of assets</b>	<b>27,449</b>	<b>25,940</b>

The actual return on scheme assets was £151,000 (2019: £2,447,000).

#### Amounts recognised in the statement of financial activities

	2019/20	2018/19
	£000	£000
Current service cost (net of employee contributions)	(3,909)	(2,530)
Net interest cost	(326)	(216)
Past service cost	(3)	(1,069)
<b>Total amount recognised in the SOFA</b>	<b>(4,238)</b>	<b>(3,815)</b>

# Notes to Financial Statements

## for year ended 31 August 2020 (continued)

### Note 27. Pension and similar obligations (continued)

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

	2019/20	2018/19
	£000	£000
<b>At 1 September</b>	<b>43,763</b>	27,741
Current service cost	3,909	2,530
Interest cost	832	842
Employee contributions	547	559
Actuarial loss	5,195	8,956
Benefits paid	(568)	(439)
Past service cost	3	1,069
Acquisitions	-	2,505
<b>At 31 August</b>	<b>53,681</b>	43,763

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

	2019/20	2018/19
	£000	£000
<b>At 1 September</b>	<b>25,940</b>	20,281
Interest income	506	626
Actuarial gain	(355)	1,821
Employer contributions	1,379	1,406
Employee contributions	547	559
Benefits paid	(568)	(439)
Acquisitions	-	1,686
<b>At 31 August</b>	<b>27,449</b>	25,940

# Notes to Financial Statements

## for year ended 31 August 2020 (continued)

### Note 28. 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 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, including notifying the Education and Skills Funding Agency of all transactions made on or after the 1 April 2019 and obtaining their approval where required, and with 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.

#### **Expenditure Related Party Transaction**

Classroom Partnership Ltd – a company in which Mr S Emsley (a Trustee) has an interest.

- The Trust purchased ad-hoc teacher supply staff cover from the Classroom Partnership Ltd until December 2019 when the company ceased; up to cessation totalling £77k (2019: £302k). There were no amounts outstanding at 31 August 2020 (2019: £-).
- The Trust made the purchase at arms' length and as there is no Trust direction to use this company and purchases are ad-hoc the Trust financial procedures have been followed.
- The Trust annually benchmarks all the supply staff companies to ensure best value and is moving towards using the DfE recommended framework to ensure value for money.
- The value, even though ad-hoc, is above the Academies Financial Handbook and ESFA approval was given for these transactions during the period 1 September 2019 to 31 August 2020.
- Mr S Emsley ceased to be a director of the Classroom Partnership Ltd as at 1 January 2020.

#### **Dales Academies Trust**

- The Trust purchased the services of the Chief Executive Officer of Dales Academies Trust to project manage several pieces in 2018-19 but there were no related transactions in 2019-20 £- (2019: £7k)
- This is no longer a related party transaction due to the staff member being fully employed by Dales Academies Trust on 1 July 2019.
- The work was a reimbursement of salary and hence complied with the Academies Financial Handbook.

#### **Leeds Diocesan Board of Finance**

- The Trust purchased the services of the diocese for religious training and contracted services totalling £35k of which non-exempt element was £4k (2019: £2k). The religious character services of £31k been removed from the total as per the Academies Accounts Direction exemption.
- The related party is the Leeds Diocesan Board of Finance with our Trustees and members being associated.
- The service level agreement was for building compliance.
- This is below the £20,000 threshold and hence complied with the Academies Financial Handbook.



# Notes to Financial Statements

## for year ended 31 August 2020 (continued)

### Note 28. Related party transactions (continued)

#### Dixons Academies Charitable Trust

- The Trust purchased staff training and development services from the Dixons Academies Charitable Trust. The services procured between 1 September 2019 to 31 August 2020 were £1k (2019: £1k).
- The related party is Mrs R Bhatti OBE who is a Trustee of both Bradford Diocesan Academies Trust and Dixons Academies Charitable Trust.
- This is below the £20,000 threshold and hence complied with the Academies Financial Handbook.

#### Income Related Party Transaction

##### Dales Academies Trust

- There were no related party transactions with the Dales Academies Trust during 1 September 2019 to 31 August 2020. £- (2019: £72k)

### Note 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 £104k (2019: £104k) and distributed: £113k (2019: £90k). An amount of £54k (2019: £63k) has been carried forward into the 2021 figures, relating to undistributed bursary funds. These funds relate to:

	2019/20	2018/19
	£000	£000
Immanuel College	-	23
Belle Vue Girls' Academy	54	6
Buttershaw Business & Enterprise College Academy	-	34
	54	63

### Note 30. Events after the end of the reporting period

The Trust has an agreed Digital Strategy which would require a £1.7m investment. This would enable the Trust to create an IT infrastructure fit for the digital environment of today enabling our pupils and staff to engage with a standardised cloud based platform.

Immanuel College has agreed a growth strategy with the Local Authority to provide education for an additional 60 pupils per year group; this has required a building extension to accommodate the extra capacity. This building was completed on 12 October 2020. This donated asset will be at cost of £4.9m.

Bradford Forster Academy are currently building an "Alternative Provision" independent to the main school to provide that additional support in a private environment. The cost is £0.5m.