

Bradford Diocesan Academies Trust
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended

31 August 2017

Company Registration Number: 08258994

Bradford Diocesan Academies Trust

Contents

	Page
Reference and Administrative Details	3 - 4
Trustees' Report	5 – 18
Governance Statement	19 - 22
Statement on Regularity, Propriety and Compliance	23
Statement of Trustees' Responsibilities	24
Independent Auditor's Report on the Financial Statements	25 - 27
Independent Reporting Accountant's Report on Regularity	28 - 29
Statement of Financial Activities incorporating Income & Expenditure Account	30
Balance Sheet	31
Statement of Cash Flows	32
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	33 – 36
Other Notes to the Financial Statements	37 – 54

Bradford Diocesan Academies Trust

Reference and Administrative Details

Members	Ven. Andrew Jolly Mr Anthony Hesselwood (Proxy for Bradford and Ripon and Leeds Educational Trust) Very Rev. Jerry Lepine Mrs Theresa Mason	
Directors/Trustees	Mrs Theresa Mason (Chair of Trustees) Mr Anthony Hesselwood Mr John Watts (resigned 18 July 2017) Mr Philip Turner (resigned 13 March 2017) Ms Carol Dewhurst Reverend Canon Denise Poole Dr Margaret Platts Mrs Catherine Wilson Mr Anthony Bennett (resigned 18 July 2017) Mrs Denise Sterling Mr Bill Henry Mrs Nurjahan Ali Arobi (appointed 15 September 2016) Mr Stephen Emsley (appointed 13 March 2017) Mr Roland Clark (appointed 13 March 2017) Mrs Pauline Hagen (appointed 15 December 2016) Mrs Ruby Bhatti (appointed 13 June 2017)	
Senior Management Team	Ms Carol Dewhurst Mr Damian Chubb Mr Peter Thompson Mr Craig Lee Mr Ashley Reed	Chief Executive Officer/Accounting Officer Deputy Chief Executive Officer (appointed 1 September 2017) Director of Operations Director of Primary Director of Finance/Chief Financial Officer
Company Name	Bradford Diocesan Academies Trust	
Principal and Registered Office	2 nd Floor, Jade Building Albion Mills, Albion Road, Bradford BD10 9TQ	
Company Registration Number	08258994 (England & Wales)	

Bradford Diocesan Academies Trust

Reference and Administrative Details (continued)

Independent Auditor	BHP LLP New Chartford House Centurion Way Cleckheaton BD19 3QB
Bankers	Lloyds Bank PLC Hustlergate Bradford BD1 1NT
Legal Advisors	Lupton Fawcett LLP Yorkshire House East Parade Leeds LS1 5BD

Bradford Diocesan Academies Trust

Trustees' Report

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

As of August 2017, Bradford Diocesan Academies Trust supports ten academies (four secondary and six primary), comprising 6,423 students and employing 1,080 staff with an annual budget of £42 million.

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 are the primary governing documents of the Trust and the company registration number is 08258994.

The Trustees of Bradford Diocesan Academies Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known 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
- Christ Church C of E Primary Academy
- Clayton St John C of E Primary School (*Converted 1 October 2017*)
- East Morton C of E Primary School (*Converted 1 October 2017*)
- Immanuel College
- Oxenhope C of E Primary School
- St John's C of E Primary School (*Converted 1 November 2017*)
- St Oswald's C of E Primary Academy
- St Philip's C of E Primary Academy
- Westminster C of E Primary Academy

Details of the Trustees who served throughout the year are included in the Reference and Administrative details on page 3.

Members' Liability

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

Trustees' Indemnities

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

A Trustee may benefit from any indemnity insurance purchased at the Trust's expense to cover the liability of the Trustee which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust: Provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the

Bradford Diocesan Academies Trust

Trustees' Report (continued)

costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as directors of the Trust.

The charitable company pays a premium of £4,023 (2016: £3,378) to provide indemnity insurance of £5m for the Trustees

Method of Recruitment and Appointment or Election of Trustees

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

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

A programme of induction by academy visits and familiarisation with the objects and procedures is offered to new Trustees and appropriate training is made available. A full induction pack including Code of Conduct, role descriptors, Scheme of Delegation and support documentation is also provided to all Trustees at the point of appointment. The Trust employs a central Governance Support Team to support Trustees in academy compliance and clerking.

Organisational Structure

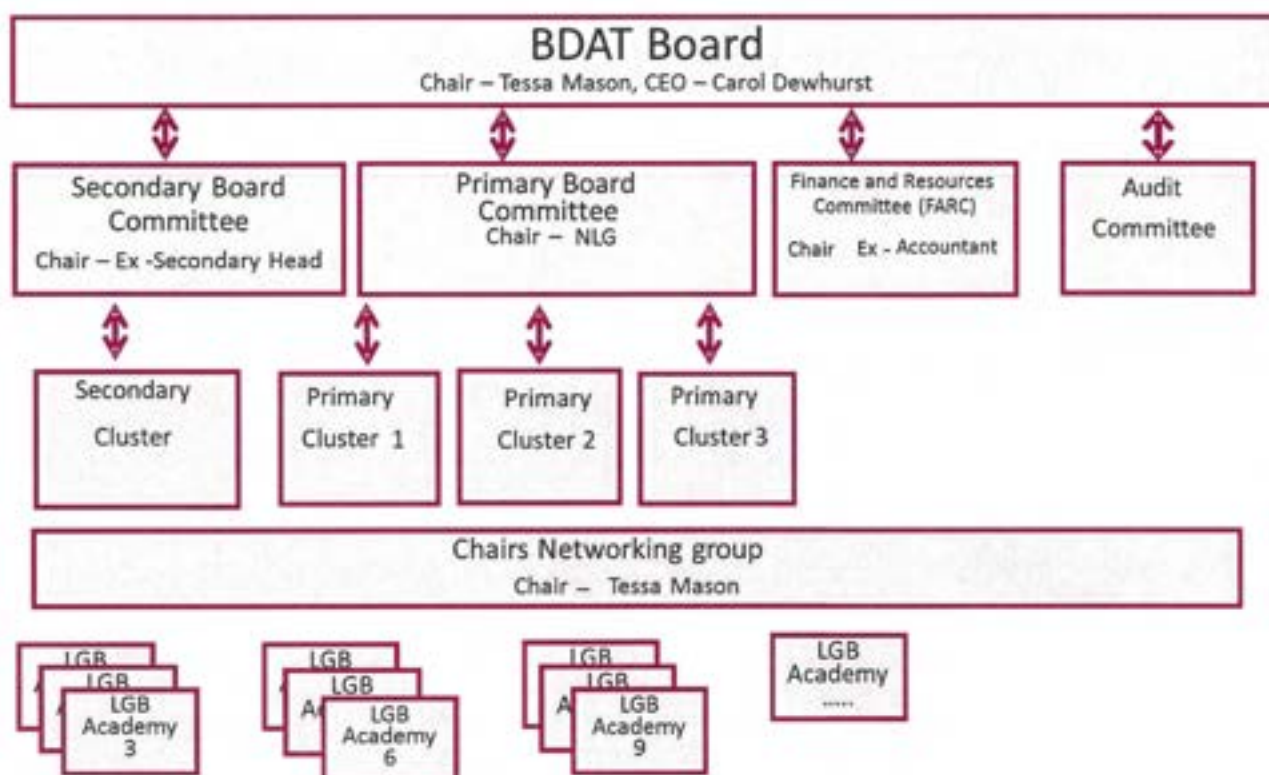
Over the last twelve months, the organisational accountability and governance structure has changed to prepare for the growth of the Trust. The main board continues to meet half-termly to oversee growth, education standards and financial accountability, while detailed scrutiny has been delegated to a subject focussed Board committee made of up five Trustees. Three committees have run throughout 2016-17 (Primary, Secondary and Finance/Resources) and terms of reference for an additional Audit committee have been agreed to run from September 2017.

Bradford Diocesan Academies Trust school level governance has also been restructured during 2017 to prepare for operational clusters of approximately five schools running in the MAT. These clusters have been structured around a mix of geography and historic working relationships.

The Trustees continue to appoint a Local Governing Body for each academy to whom, in conjunction with the Principal of that academy, some of the management responsibilities are delegated. The formal scheme of delegation is reviewed, ratified and communicated to each Local Governing Body annually.

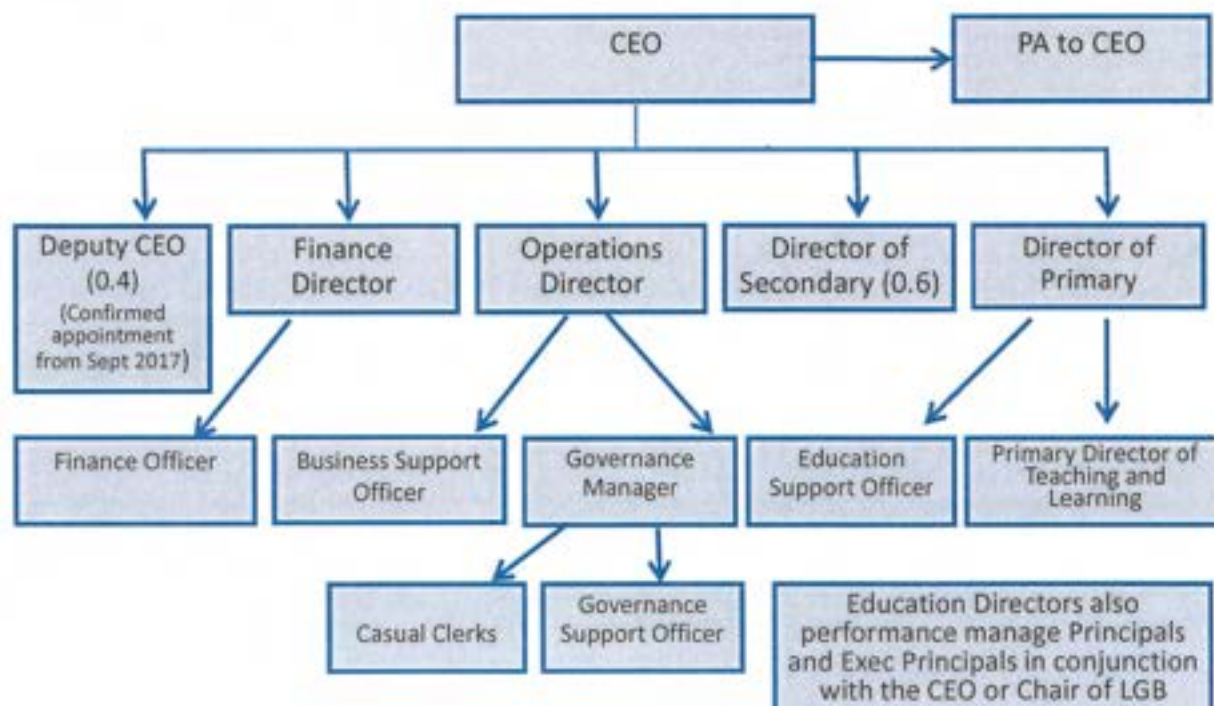
Bradford Diocesan Academies Trust Trustees' Report (continued)

Bradford Diocesan Academies Trust Governance Structure 2016-17



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

Bradford Diocesan Academies Trust Central Executive Team 2016-17



Bradford Diocesan Academies Trust

Trustees' Report (continued)

Arrangements for Setting Pay and Remuneration of Key Management Personnel

All the key management personnel performance and subsequent remuneration are discussed by the Trustees at the Finance and Audit Committee. The recommendations are then taken to the Board of Bradford Diocesan Academies Trust for approval.

Risk Management

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

Related Parties and Other Connected Charities and Organisations

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

Principal Activities

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

Objectives and Activities

Objective and Aims

The objects of the company 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."*

Bradford Diocesan Academies Trust

Trustees' Report (continued)

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

Public Benefit

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

Strategic Report

Achievements and Performance

Bradford Diocesan Academies Trust strategic priorities

In September 2015, the Bradford Diocesan Academies Trust Board set a growth vision of reaching twenty schools by 2020, recognising growth needed to be around five core principles (planned, sustainable, measurable, inclusive and with a necessary focus on attracting good and outstanding schools).

In September 2016, the Bradford Diocesan Academies Trust Board, having emerged from a year of significant growth (moving from three open academies in August 2015 to nine open academies in September 2016), agreed a new set of five core business priorities for 2016-17 based on sustainable and planned growth, improving our existing schools education standards and consolidating our business infrastructure. Our vision of twenty schools remained firm.

Headline Priorities (September 2016):

- Realising our growth plan
- Building central capacity to match/manage growth
- Driving rapid school improvement
- Building consistency (HR, buildings, finance, reporting etc.)
- Developing the Bradford Diocesan Academies Trust Brand

Headline Progress

In 2016-17, the Board also committed to refreshing and embedding our values, establishing the Trust as an employer of choice, reviewing our top slice and business model, strengthening safeguarding and reviewing MAT effectiveness through an external MAT audit to take stock of our strengths and areas of improvement.

By August 2017, much of this work has been completed:

- The MAT has been audited as effective by the Church of England Education office.
- The top slice has been reviewed, costed and implemented to ensure future sustainability
- Annual growth has been achieved (and exceeded with the addition of the Academy at St James in January 2017).
- External indicators of recognised school improvement for our early academies are emerging (particularly with successful OFSTED's at St Philips and Christ Church) and improved data in summer 2017.
- New external safeguarding and educational quality assurance programmes have been rolled out across all academies
- The Trust has effectively supported the early set up of a sister Diocesan MAT (Dales Academies Trust) in North Yorkshire.

Bradford Diocesan Academies Trust

Trustees' Report (continued)

Progress against objectives:

1. Realising our growth plan

The Trust has met and exceeded growth expectations for 2016-17 despite some delays due to Purdah. As of August 2017, the Trust supports ten academies (four secondary academies and six primary academies), comprising 6,423 students, and employing 1,080 staff with an annual budget of £42 million.

Three new academies converted in to the Trust during 2016-17.

- Belle Vue Girls' Academy a stand-alone, Non-Church of England secondary Academy converted into the MAT in September 2016. (OFSTED – Good)
- Buttershaw Business and Enterprise College, a Non-Church of England secondary school joined the MAT as a sponsored academy in September 2016. (OFSTED – Special Measures)
- The Academy at St James, a Church of England primary school joined the Trust as a sponsored academy in January 2017. (OFSTED – Special Measures)

A further cluster of largely good and outstanding primary schools also took governor resolutions to join the Trust in spring 2017 and four schools (St John's Church of England Primary School (outstanding), Woodlands Church of England Primary School (good), Clayton St John Church of England Primary School (special measures) and East Morton Church of England Primary School (good) had been awarded academy orders to convert in to the Trust in Autumn 2017. With the four additional confirmed conversions, this has increased the Trust to thirteen academies, with the fourteenth joining in January 2018, comprising 7,929 students and employing 1,257 staff with an annual budget of £46 million by 1st January 2018.

2. Building central capacity to match/manage growth

The Trust has actively planned for growth since the original vision of twenty schools by 2020 was set in 2015. This year has seen a shift change in the maturity of the central service team as systems and structures have become more professionalised and efficient to serve the increased Trust size. Key to this was the regional academy growth fund of £70,000 secured from DfE during 2016-17, which has enabled central structures to be expanded ahead of school conversions so they were functioning before schools joined. The central team model (described on page 7) is now viewed as largely fit for purpose to manage 2016-17 growth and the next set of conversions. In addition, the Trust has planned and budgeted for up to two further Directors of Teaching and Learning to support the additional primary clusters that are already operating within the Trust ahead of conversions.

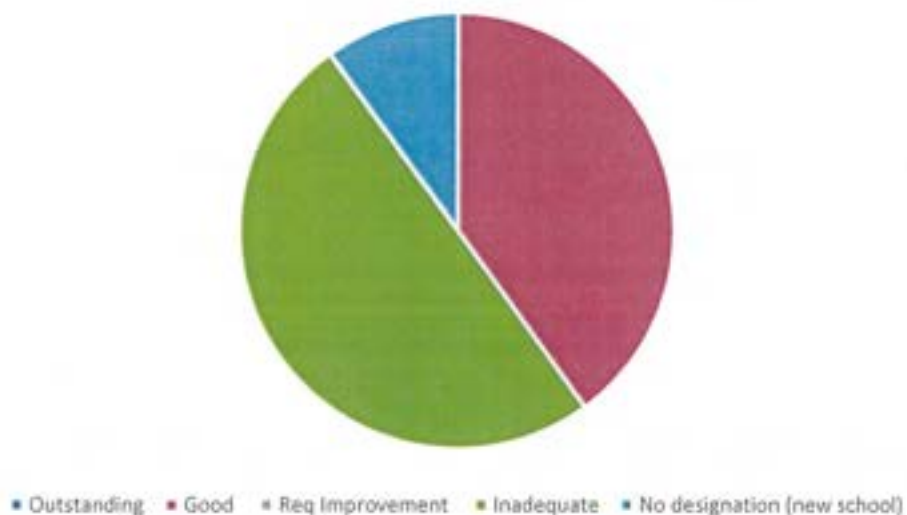
3. Driving rapid school improvement

School improvement remains (and will always be) our main priority as Bradford remains a low performing authority.

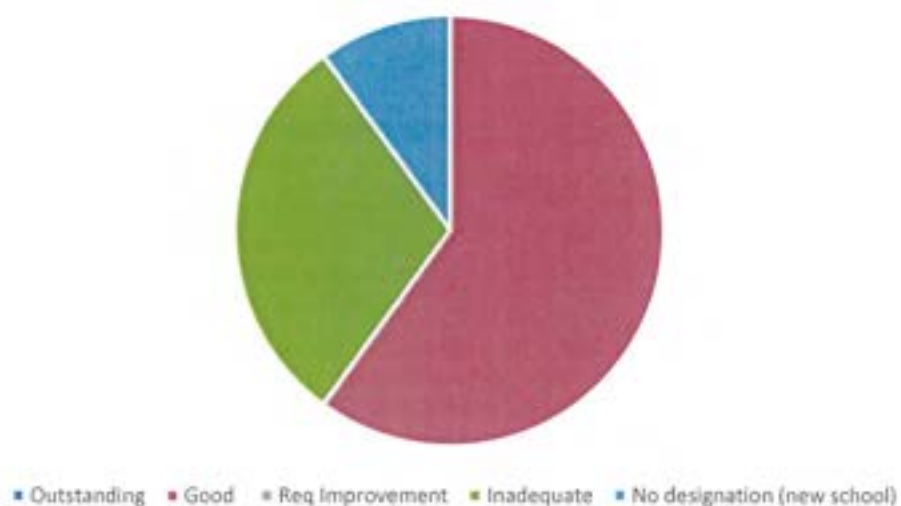
2016-17 has been a positive year for Bradford Diocesan Academies Trust although much work still remains to be done. We have had three OFSTED inspections this year. Two schools moved from inadequate at point of Academy ordering to good while the third school retained its good judgement. The one school that remains on a termly monitoring cycle (St Oswald's) is deemed to be making good progress towards the removal of special measures.

Bradford Diocesan Academies Trust Trustees' Report (continued)

OFSTED grade at point of Academy Order



OFSTED grades 31 August 2017



The pie charts are based on our ten academies as at 31 August 2017.

Bradford Diocesan Academies Trust Trustees' Report (continued)

Data for 2016-17 is largely positive. In Key Stage 2, whilst attainment remains low it has improved from starting points and has narrowed the gap when compared to national with a 10% increase across Bradford Diocesan Academies Trust compared to 8% at national. Bradford Diocesan Academies Trust now has no school below floor or on 3 year coasting standards.

Attainment at Key Stage 2 *

	Attainment		
	RWM 2016	RWM 2017	RWM Variance
National	53	61	8
Academy at St James	26	28	2
Christ Church	48	36	-12
Oxenhope	48	54	6
St Oswald's	20	44	24
St Philip's	30	57	27
Westminster	35	36	1
Bradford Diocesan Academies Trust (Avg)	32	42	10

* All data is not validated at publication of Statement of Accounts

Progress *

	Maths Progress 2016	Maths Progress 2017	Maths Variance 2016 to 2017	Reading Progress 2016	Reading Progress 2017	Reading Variance 2016-2017	Writing Progress 2016	Writing Progress 2017	Writing variance 2016 to 2017
Academy at St James	-3	-2	1	-1.5	0.5	2		-4.7	
Christ Church	-0.61	-1.5	-0.9	-0.89	-1.7	-0.8	3.06	3.3	0.2
Oxenhope	-1.94	-2.7	-0.8	0	0.5	0.5	1.15	0.2	-1
St Oswald's	-3.35	0.4	3.8	-3.49	-1.3	3.9	-0.76	-0.3	0.5
St Philip's	-0.95	0.2	1.2	-2.65	-1.7	1	1.83	-0.6	-2.4
Westminster	-0.69	-0.6	0.1	-2.40	-1.9	0.6	-0.22	-0.4	-0.2
Bradford Diocesan Academies Trust (Avg)	-1.59	-0.8	0.8	-2.50	-1.1	1.5	0.58	-0.5	-1.1

* All data is not validated at publication of Statement of Accounts

Bradford Diocesan Academies Trust Trustees' Report (continued)

At **Key Stage 4** as a Trust we have seen a 3% dip in attainment due to a dip in results at one school. Immanuel College and Belle Vue Girls Academy remain above average for Key Stage 4 progress 8 results this summer, while Buttershaw Business & Enterprise College, despite being slightly below progress 8 average, has for the second year since being supported by Bradford Diocesan Academies Trust, achieved its best ever GCSE attainment scores.

School	Basics 4+			Better of Englishes			Maths			Progress 8		
	2016	2017	Variance	2016	2017	Variance	2016	2017	Variance	2016	2017	Variance
Buttershaw Business & Enterprise College	47	49	2	57	60	3	56	56	0	-0.36	-0.21	0.15
Belle Vue Girls'	53	53	0	73	80	7	54	58	4	0.37	0.4	0.03
Immanuel College	70	58	-12	70	61	-9	74	63	-11	0.47	0.24	-0.23
Bradford Diocesan Academies Trust (Avg)	56	53	-3	67	67	0	62	59	-3			
National	63	63	0	74	NA	NA	68	69	1	-0.03	-0.03	0

* All data is not validated at publication of Statement of Accounts

At **Key Stage 5**, A Level average grades remain the same at Butterhaw Business & Enterprise College while both Belle Vue Girls and Immanuel College improved by the equivalent of one-third of a grade. When compared with the national 2016 A-Level grade average of C+, Immanuel achieved that this year. All three schools met or exceeded the national average applied general which was a distinction. Both Belle Vue Girls and Immanuel College which entered pupils for the technical qualifications exceeded the national 2016 figure of distinction. Currently we have no value added data

School	Level 3 Academic Average Grade			Level 3 A level Average Grade			Applied General Average Grade			Technical Level Qualification Average grade		
	2016	2017	Variance	2016	2017	Variance	2016	2017	Variance	2016	2017	Variance
Buttershaw & Business Enterprise	C-	C-	0	C-	C-	0	Dist -	Dist +	2/3			
Belle Vue Girls	D+	C-	1/3	D+	C-	1/3	Dist +	Dist -	- 1/3	Dist +	Dist *	1/3
Immanuel	C	C+	1/3	C	C+	1/3	Dist *	Dist *	0	Dist *	Dist *	0
National	C+			C+			Dist			Dist		

* All data is not validated at publication of Statement of Accounts

KEY:

- Red - Below floor
- Blue - Coasting
- White - Below 0 but not significantly below
- Green - Above average

Bradford Diocesan Academies Trust

Trustees' Report (continued)

4. Building consistency (HR, buildings, finance, reporting etc)

Much work has been done to build consistency across the Trust this year and all schools now have the same procedures and tools for functions including:

- | | |
|--------------------------|------------------------|
| - Financial accounting | (PS Financials) |
| - Budgeting | (Orovia) |
| - Risk Management System | (GRC) |
| - Asset management | (Every) |
| - Human Resources | (Fusion) |
| - Payroll | (Working with Schools) |
| - Insurance | (Towergate) |
| - Safeguarding | (Navigate) |
| - Education QA | (phase specific) |
| - Clerking | (in-house) |

Future priority areas will include health and safety, governance, Management Information Systems and Information Technology in response to the new GDPR requirements.

5. Developing the Bradford Diocesan Academies Trust Brand

Finally, the Bradford Diocesan Academies Trust brand has been promoted and used as an advantage more effectively this year to support recruitment and retention in line with our aim to become an employer, and schools, of choice. We have a more proactive social media and public relations presence and have worked hard to share our learning to support the developments of smaller MATS both within our Diocese, LA and further afield. A key focus for 2016-17 has been embedding our values (aspiration, excellence, inclusion, compassion and resilience) across our schools whilst ensuring each school remains unique and special to the community it serves.

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 eleven 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.

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.

Employees and Disabled Persons

The Trust has 1,080 employees across ten academies.
It is an equal opportunities employer across all roles within the Trust.

The Trust has an "Employing Staff with Disabilities Guidance" and is encouraging all organisations, including schools, to show that they are responding to the needs and expectations of the societies and communities in which they operate by delivering best practice which enables disabled people to move in to economic activity and further participate in mainstream society

Any new employee to school should have 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

Bradford Diocesan Academies Trust

Trustees' Report (continued)

new role and organisation and therefore a clearly structured Induction Programme is helpful. The Induction process should include:

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

New employees who are disabled may also have particular needs which need to be accommodated during the induction programme itself i.e. a 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 have the same opportunities at work as non-disabled colleagues. Other than making the recruitment process barrier free and ensuring reasonable adjustments are place, the Employee Forum on Disability also suggests that line managers should:

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

Financial Review

The majority of the Trust's income is obtained from the ESFA in form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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

There has been significant growth within the financial year with two secondary schools (Belle Vue Girls' Academy and Buttershaw Business & Enterprise College – both September 2016) and one primary the Academy at St James' – January 2017 - joining the Trust.

During the period ended 31 August 2017, total expenditure of £46,476k (2016: £14,814k) was covered by recurrent grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the period (excluding restricted fixed asset funds and pension deficit charges) was £166k (2016: £705k), with year-end liabilities of £2,505k (2016: £1,191k).

At 31 August 2017, the net book value of fixed assets was £35,274k (2016: £15,761k) and movements in tangible fixed assets shown on note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy. The fixed assets of the Trust were stated in line with the policy of the National Society and Diocesan Board of Education where only Local Authority land and buildings are recognised as fixed assets. The Diocese land and buildings are available for education use and should be treated much like an operating lease. The assets of Buttershaw Business & Enterprise College are under a PFI contract and therefore have no asset value.

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

Bradford Diocesan Academies Trust

Trustees' Report (continued)

Financial and Risk Management Objectives and Policies

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

Reserves Policy

All reserves will be reviewed by 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 one and two months of the Trust's expenditure (Range - £3m - £8m). The current value of unrestricted reserves are £2,774k (2016 - £1,013k)

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

The Trust holds net current assets of £3,287k (2016: £1,361k) at the present time and is listed on the balance sheet. The Trust held fund balances at 31 August 2017 of £34,235k (2016: £12,658k) comprising £35,787k (2016: £11,645k) of restricted funds and £2,774k (2016: £1,013k) of unrestricted general funds. The pension reserve is in deficit as at 31 August 2017 in the sum of £4,326k (2016: £4,464k). 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.

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.

Bradford Diocesan Academies Trust

Trustees' Report (continued)

Principal Risks and Uncertainties

The Trustees of the Bradford Diocesan Academies Trust strive to improve the levels of performance of its students at all levels. A primary focus will be continuing to drive improvement and manage performance within our open academies; however the Trust will also see further growth in 2017/18 in the portfolio of academies we support.

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

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

Plans for Future Periods

2017-18 looks set to be another exciting year for the Trust as we move closer to achieving our ambition of becoming a twenty school high-performing MAT. Key projects look set to run alongside our growth as we collaborate with external partners to deliver our mission of providing high quality education across the full 2-19 age range with a focus on sixth form, teacher training and alternative provision.

Partnership with Diocesan and other local MAT colleagues looks to increase through the Eden Teaching School Alliance and our work with other Church of England MATs, most notably the new Dales Academies Trust. All of these new developments need to be coupled with securing and sustaining existing school improvements and ensuring our most vulnerable schools also see the turnaround required. Well-planned, effective and high quality business, support, and strong governance arrangements will underpin our success. As a MAT board, we have agreed three central priorities for Bradford Diocesan Academies Trust in 2017/18 alongside some of the projects referenced above:

Growth: Growth once again becomes a key priority for 2017-18. Following a year of relative quiet on the conversion front, we expect four further conversions in Autumn 17 and up to six further conversions in 2018. All schools have taken governor resolutions and are actively engaged with a Bradford Diocesan Academies Trust primary cluster and the Bradford Diocesan Academies Trust operations team.

School Improvement: As always driving and sustaining school improvement and standards remains a key priority with Executive Principals now in place to support our most vulnerable schools and partnerships of primary and secondary clusters in place to ensure collaborative working. Work streams and subject networks will continue to run based on priority phase-level and cross phase needs and external Quality Assurance through B11 and Mike Maddison have been re-commissioned to ensure performance is on track and reported to the Bradford Diocesan Academies Trust Board. Head teacher performance management remains central to Trust/school communications with both phases agreeing early targets and objectives to underpin the academic year. If we are successful in being awarded Strategic School Improvement Funding further focus and priority will also be given to narrowing the disadvantage gap in our most vulnerable schools whilst raising achievement for all with interventions planned to support parental engagement, pupil resilience and extended opportunities to embed extended writing skills.

Becoming a MAT of Choice: This project has three strands and builds on the work of 2016-17. Our aim is to continue to establish the Trust as a credible and transformational education provider, to attract and retain the very best quality teachers and to establish our academies as schools of choice with parents and pupils.

Bradford Diocesan Academies Trust Trustees' Report (continued)

Auditor

BHP 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. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' 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 14 December 2017 and signed on its behalf:



.....
Mrs Theresa Mason
Chair of Trustees

Bradford Diocesan Academies Trust

Governance Statement

Scope of Responsibility

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

The staff, under the direction of the Chief Executive Officer as Accounting Officer, hold the day-to-day responsibility for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Bradford Diocesan Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the governing body 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.

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 6 meetings between 1 September 2016 and 31 August 2017. Attendance during the year at meetings of the governing body was as follows:

<i>Trustee</i>	<i>Meetings attended</i>	<i>Out of a possible</i>
Mrs Theresa Mason	6	6
Mr Anthony Hesselwood	6	6
Mr John Watts	6	6
Mr Philip Turner	3	3
Ms Carol Dewhurst	6	6
Reverend Canon Denise Poole	5	6
Dr Margaret Platts	5	6
Mrs Catherine Wilson	4	6
Mr Anthony Bennett	5	6
Mrs Denise Sterling	5	6
Mr Bill Henry	5	6
Mr Roland Clark	4	4
Mrs Nurjahan Ali Arobi	2	2
Mr Stephen Emsley	3	3
Mrs Ruby Bhatti	1	1
Mrs Pauline Hagen	3	3

Key changes in the composition of the governing body 2016-17 – additional financial and commercial experience of Trustees.

There were five appointments during the year.

1. Mr Roland Clark – 13 March 2017
2. Mrs Nurjahan Ali Arobi – 15 September 2016
3. Mr Stephen Emsley – 13 March 2017
4. Mrs Ruby Bhatti – 13 June 2017
5. Mrs Pauline Hagen - 15 December 2016

There were three resignations during the year:

1. Mr John Watts – 18 July 2017
2. Mr Anthony Bennett – 18 July 2017
3. Mr Philip Turner - 13 March 2017

Bradford Diocesan Academies Trust

Governance Statement (continued)

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

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

Trustee	Meetings attended	Out of a possible
Mr Anthony Hesselwood (<i>Chair</i>)	7	7
Mr John Watts	7	7
Ms Carol Dewhurst	7	7
Mr Roland Clark	4	4
Mr Bill Henry	1	1

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

Trustee	Meetings attended	Out of a possible
Dr Margaret Platts (<i>Chair</i>)	5	6
Ms Carol Dewhurst	5	6
Mr Philip Turner	3	3
Mr Bill Henry	1	1
Mrs Denise Sterling	4	6
Mrs Theresa Mason	1	3
Mrs Nurjahan Ali Arobi	2	2

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

Trustee	Meetings attended	Out of a possible
Mr Anthony Bennett (<i>Chair</i>)	6	6
Ms Carol Dewhurst	4	6
Mrs Catherine Wilson	2	6
Mr John Watts	5	6
Mrs Ruby Bhatti	1	1
Mr Stephen Emsley	1	1

The Audit Committee has also been formed and its first meeting took place on the 30 November 2017. It has an independent Chair Mr Richard Giles. This committee is commissioned to meet twice a year to review all quality assurance, financial and internal and external audit processes. Trustees will be asked to attend when their expertise is required to discuss an agenda item.

Bradford Diocesan Academies Trust

Governance Statement (continued)

Review of Value for Money

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

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

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

There are some good examples during 2016/17 that have provided significant savings:

- Introduction of the Executive Business Manager to work across multiple locations
- Energy has been procured centrally to provide economies of scale
- A review of managed IT services has led to a procurement exercise that has significantly reduced costs
- A review of catering facilities has led to a procurement of a new catering provider and an improved service with reduced costs.
- The inclusion of an after school bus service to help extend learning but still providing a safe method of travel

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

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

The Purpose of the System of Internal Control

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

Bradford Diocesan Academies Trust

Governance Statement (continued)

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 2016 and 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees

The Risk and Control Framework

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

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

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

- An Audit Committee has been created and held its first meeting on the 30 November 2017 and will review the Auditor's report.
- In 2016/17 there were internal financial audits carried out by the Chair of Finance and Resources Committee and the CFO with reports being generated for the LGB's.
- Internal audit inspections have been carried out in each academy to evaluate the systems relating to payroll and HR, cash handling and purchasing.
- Systems are being developed and training has been given to address weaknesses identified.

The CFO's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. The CFO 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.

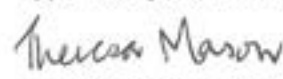
Review of Effectiveness

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:

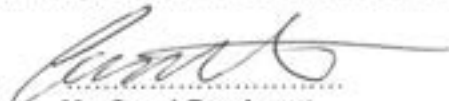
- the financial management and governance self-assessment process;
- the work of the external auditor;
- the work of the executive business managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the governing body on 14 December 2017 and signed on its behalf by:



Mrs Theresa Mason
Chair of Trustees



Ms Carol Dewhurst
Accounting Officer

Bradford Diocesan Academies Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Bradford Diocesan Academies Trust, I have considered my responsibility to notify the Trust governing body and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with Education and Skills Funding Agency terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State for Education. As my part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Trust 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 funding under the Trust's funding agreement and the Academies Financial Handbook 2016.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.



Ms Carol Dewhurst

Accounting Officer

14 December 2017

Bradford Diocesan Academies Trust

Statement of Trustees' Responsibilities

Year ended 31 August 2017

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 and Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

The Trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conforms to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the Education Skills and 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 14 December 2017 and signed on its behalf by:



Mrs Theresa Mason
Chair of Trustees

Bradford Diocesan Academies Trust

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

Year ended 31 August 2017

Opinion

We have audited the financial statements of Bradford Diocesan Academies Trust (the 'Trust') for the year ended 31 August 2017 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the 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.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Bradford Diocesan Academies Trust

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

Year ended 31 August 2017

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

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

Bradford Diocesan Academies Trust

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

Year ended 31 August 2017

Auditor's responsibilities for the audit of the financial statements

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

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



Lesley Kendrew (Senior Statutory Auditor)
for and on behalf of
BHP LLP, Statutory Auditor

Chartered Accountants

New Chartford House
Centurion Way
Cleckheaton
BD19 3QB

14 December 2017

Bradford Diocesan Academies Trust

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

Year ended 31 August 2017

In accordance with the terms of our engagement letter dated 11 October 2017 and further to the requirements of the Education Skills & Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bradford Diocesan Academies Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Bradford Diocesan Academies Trust and ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than 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 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

Bradford Diocesan Academies Trust

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

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



Lesley Kendrew (Senior Statutory Auditor)
for and on behalf of
BHP LLP, Statutory Auditor

Chartered Accountants

New Chartford House
Centurion Way
Cleckheaton
BD19 3QB

14 December 2017

Statement of Financial Activities for the year ended 31 August 2017

(including Income and Expenditure Account)

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2017	Total 2016
	Note	£000	£000	£000	£000	£000
Income and endowments from:						
Donations and capital grants	2	1,655	(892)	20,968	21,731	1,088
Charitable activities:						
Funding for the trust's educational operations	3	-	39,342	-	39,342	13,023
Other trading activities	4	2,511	-	-	2,511	501
Investments	5	7	-	-	7	7
Total		4,173	38,450	20,968	63,591	14,619
Expenditure on:						
Charitable activities:						
Academy trust educational operations	6,7	311	45,138	1,027	46,476	14,814
Total		311	45,138	1,027	46,476	14,814
Net income / (expenditure)		3,862	(6,688)	19,941	17,115	(195)
Transfers between funds	15	(2,101)	2,101		-	-
Other recognised gains / (losses):						
Surplus on revaluation		-	-	-	-	-
Actuarial (losses) / gains on defined benefit pension schemes	15,22	-	4,462		4,462	(2,288)
Net movement in funds		1,761	(125)	19,941	21,577	(2,483)
Reconciliation of funds						
Total funds brought forward at 1 Sep 2016		1,013	(4,131)	15,776	12,658	15,141
Total funds carried forward		2,774	(4,256)	35,717	34,235	12,658

Balance Sheet as at 31 August 2017

Company Number 08258994

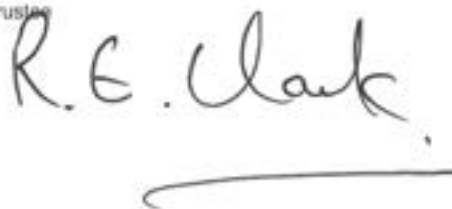
		2017	2017	2016	2016
	Notes	£000	£000	£000	£000
Fixed assets					
Tangible assets	11		35,274		15,761
Current assets					
Stock	12	2		-	
Debtors	13	719		535	
Cash at bank and in hand		5,071		2,017	
		<u>5,792</u>		<u>2,552</u>	
Liabilities					
Creditors: Amounts falling due within one year	14	(2,505)		(1,191)	
Net current assets			<u>3,287</u>		<u>1,361</u>
Total assets less current liabilities			<u>38,561</u>		<u>17,122</u>
Creditors: Amounts falling due after more than one year			-		-
Net assets excluding pension liability			<u>38,561</u>		<u>17,122</u>
Defined benefit pension scheme liability	22	(4,326)		(4,464)	
Total assets			<u>34,235</u>		<u>12,658</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	15	35,717		15,776	
Restricted income fund	15	70		333	
Pension reserve	15	(4,326)		(4,464)	
Total restricted funds			<u>31,461</u>		<u>11,645</u>
Unrestricted income funds	15		<u>2,774</u>		<u>1,013</u>
Total funds			<u>34,235</u>		<u>12,658</u>

The financial statements on pages 30 - 54 were approved by the trustees, and authorised for issue on 14th December 2017 and are signed on their behalf by:

Mr Tony Hesselwood
Trustee



Mr Roland Clark
Trustee



Bradford Diocesan Academies Trust

Statement of Cash Flows

	Notes	2017 £000	2016 £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	18	2,893	340
Cash flows from investing activities	19	161	(64)
Change in cash and cash equivalents in the reporting period		<u>3,054</u>	<u>276</u>
Cash and cash equivalents at 1 September 2016		2,017	1,741
Cash and cash equivalents at the 31 August 2017	20	<u>5,071</u>	<u>2,017</u>

Notes to the Financial Statements for the period ended 31 August 2017

1 Statement of Accounting Policies

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

Basis of Preparation

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

Going Concern

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

Income

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

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

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

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

- **Sponsorship Income**
Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.
- **Donations**
Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.
- **Other Income**
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Trust has provided the goods or services.
- **Donated goods, facilities and services**
Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'income from other trading activities'. Upon sale, the value of the stock is charged against 'income from other trading activities' and the proceeds are recognised as 'income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'income from other trading activities'.
- **Donated fixed assets (existing transfer on conversion)**
Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's accounting policies.
- **Transfer on Conversion**
The Trust brings income in as donated income and is recognised in the SOFA.
- **Transfer of Existing Academy into the Trust**
The income of the existing academy should be recognised through the fair value statement.

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

Expenditure

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

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT

Tangible Fixed Assets

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

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

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

• Long leasehold buildings	100 years
• Fixtures, fittings and equipment	5 years
• ICT hardware	3 years
• Motor Vehicles	5 years

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

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

Land and Buildings

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

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

Liabilities

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

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

Provisions

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

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

Leased Assets

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

Investments

The Trust has low risk interest bearing accounts.

Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Trust after deducting all of its liabilities. Financial instruments includes cash at bank, trade debtors, accrued income from financial instrument (comprising dividends and interest due from investments), trade creditors and accrued expenditure.

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) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

**Notes to the Financial Statements for the period ended 31 August 2017
(continued)**

Fund Accounting

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

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

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 22, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

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

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

2 Donations and capital grants

	Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
	£000	£000	£000	£000
Transfer on Conversion	1,655	16,861	18,516	(42)
Donated fixed assets	-	2,099	2,099	1,005
Capital Grants	-	842	842	83
Donations	-	274	274	42
	<u>1,655</u>	<u>20,076</u>	<u>21,731</u>	<u>1,088</u>

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
	£000	£000	£000	£000
DfE / ESFA grants				
. General Annual Grant (GAG)	-	32,615	32,615	10,140
. School Improvement Grant	-	120	120	40
. Other DfE/ESFA grants	-	3,293	3,293	1,456
	<u>-</u>	<u>36,028</u>	<u>36,028</u>	<u>11,636</u>
Other Government grants				
. Local authority grants	-	3,202	3,202	1,299
. Special educational needs	-	112	112	88
	<u>-</u>	<u>3,314</u>	<u>3,314</u>	<u>1,387</u>
	<u>-</u>	<u>39,342</u>	<u>39,342</u>	<u>13,023</u>

4 Other Trading activities

	Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
	£000	£000	£000	£000
Fundraising	29	-	29	8
Other (Catering Trips/Lettings/Teacher Ins.)	2,482	-	2,482	493
	<u>2,511</u>	<u>-</u>	<u>2,511</u>	<u>501</u>

5 Investment income

	Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
	£000	£000	£000	£000
Bank Interest	7	-	7	7
	<u>7</u>	<u>-</u>	<u>7</u>	<u>7</u>

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

6 Expenditure

	Staff Costs	Pay Expenditure		Total	Total
		Premises	Other	2017	2016
	£000	£000	£000	£000	£000
Expenditure on raising funds					
Trust's educational operations:					
. Direct costs	24,295	-	4,201	28,496	9,150
. Allocated support costs	6,989	7,418	3,573	17,980	5,664
	31,284	7,418	7,774	46,476	14,814
Net Income/Expenditure for the period includes:					
Operating lease rentals				3,579	1,040
Depreciation				1,027	525
Fees payable to auditor for:					
- Audit				14	10
- Non-Audit Costs				2	1
Clerking and SLA				10	2
Indemnity Insurance				4	3
Trustee Reimbursed Expenses				1	1

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

7 Charitable Activities

	Total 2017 £000	Total 2016 £000
Direct costs - educational operations	28,496	9,150
Support costs - educational operations	17,980	5,664
	<u>46,476</u>	<u>14,814</u>

Analysis of support costs	Educational operations £000	Total 2017 £000	Total 2016 £000
Support staff costs	6,989	6,989	2,157
Depreciation	1,027	1,027	525
Technology costs	270	270	33
Premises costs	6,121	6,121	1,565
Other support costs	3,556	3,556	1,368
Governance costs	17	17	16
Total support costs	<u>17,980</u>	<u>17,980</u>	<u>5,664</u>

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

8 Staff

a. Staff costs

Staff costs during the period were:

	Total	Total
	2017	2016
	£000	£000
Wages and salaries	23,296	7,468
Social security costs	2,160	598
Operating costs of defined benefit pension schemes	3,261	1,270
Apprenticeship Levy	42	-
	28,760	9,336
Supply staff costs	1,331	444
	30,090	9,780
Staff restructuring costs comprise:		
Severance payments	190	39
	190	39

b. Non statutory/non contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £190k (2016: £38k). Individually, the payments were: £27k, £26k, £23k, £22k, £15k, £15k, £14k, £13k, £12k, £7k, £7k, £4k, £3k and £2k

c. Staff numbers

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

	2017	2016
	No.	No.
Teachers	400	139
Administration and support	606	337
Management	74	44
	1,080	520

d Higher paid staff

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

	2017	2016
	No.	No.
£60,001 - £70,000	14	5
£70,001 - £80,000	4	1
£80,001 - £90,000	3	2
£90,001 - £100,000	2	1
£100,001 - £110,000	2	-
£110,001 - £120,000	-	-
£120,001 - £130,000	-	1
£150,001 - £160,000	1	-

Twenty-five of the twenty-six above employees participated in the Teachers' Pension Scheme

The twenty sixth person was in the Local Government Pension Scheme

e Key management personnel

The key management personnel of the Trust comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £338,458 (2016: £286,556).

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

9 Related Party Transactions - Trustees' Remuneration and Expenses

One or more trustees 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 are as follows:

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

Ms Carol Dewhurst (Chief Executive Officer and Trustee):

Remuneration £85,000 - £90,000 (2016: £60,000 - £65,000)

Employer's pension contributions paid £10,000 - £15,000 (2016: £5,000 - £10,000)

During the period ended 31 August 2017, travel and subsistence expenses totaling £652 were reimbursed or paid directly to 2 Trustees (2016: £1,225 to 4 Trustees).

10 Trustees' and Officers' Insurance

In accordance with normal commercial practice the Trust has purchased Trust insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust's business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period 1 September 2016 to 31 August 2017 was £4,023 (2016: £3,378). The cost of this insurance is included in the total insurance cost.

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

11 Tangible Fixed Assets

	Leasehold Land and Buildings	Furniture and Equipment	Computer Hardware	Motor Vehicles	Total
	£000	£000	£000	£000	£000
Cost					
At 1 September 2016	14,536	698	993	-	16,427
Additions	19,432	688	419	1	20,540
Disposals	-	-	-	-	-
At 31 August 2017	<u>33,968</u>	<u>1,586</u>	<u>1,412</u>	<u>1</u>	<u>36,967</u>
Depreciation					
At 1 September 2016	169	220	277	-	666
Charged in year	338	262	426	0	1,027
Disposals	-	-	-	-	-
At 31 August 2017	<u>507</u>	<u>482</u>	<u>703</u>	<u>0</u>	<u>1,693</u>
Net book values					
At 31 August 2016	14,367	678	716	-	15,761
At 31 August 2017	<u>33,461</u>	<u>1,104</u>	<u>709</u>	<u>1</u>	<u>35,274</u>

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

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

The land and buildings that six of the Academies operate from are properties held in Trust by The Leeds Diocesan Board of Finance (LDBF) and will operate under the above policy.

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

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

The Trust currently has one PFI Academy - Buttershaw Business & Enterprise College

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

12 Stock

	2017	2016
	£000	£000
Catering Stock	2	-
	<u>2</u>	<u>-</u>

13 Debtors

	2017	2016
	£000	£000
Trade debtors	59	12
VAT recoverable	78	108
Prepayments and accrued income	582	415
	<u>719</u>	<u>535</u>

14 Creditors: Amounts Falling due within one year

	2017	2016
	£000	£000
Trade creditors	383	210
Other taxation and social security	533	263
Other creditors	40	2
Accruals and deferred income	1,550	716
	<u>2,505</u>	<u>1,191</u>

Deferred income

	2017	2016
	£000	£000
Deferred income at 1 September 2016	445	601
Released from previous years	(445)	(601)
Resources deferred in the year	1,020	445
Deferred Income at 31 August 2017	<u>1,020</u>	<u>445</u>

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

15 Funds

	Balance at 1 September 2016	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2017
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	-	34,729	(34,729)		(8)
Other Annual Grants	218	6,587	(8,617)	2,102	79
Start Up Grant	75	25	(100)	-	-
School Improvement	40	120	(160)		-
Pension reserve	(4,464)	(2,952)	(1,332)	4,462	(4,326)
	(4,131)	38,449	(45,138)	6,564	(4,256)
Restricted fixed asset funds					
DF/ESFA capital grants	13	842		(412)	443
Local Authority Capital Sponsorship	14,124	-	(302)	(1)	13,821
Capital Expenditure from GAG/Unrestricted	604	274	-	412	1,290
Private sector capital sponsorship	1,035	19,853	(725)		20,163
	15,776	20,969	(1,027)	(1)	35,717
Total restricted funds	11,645	59,418	(46,165)	6,563	31,461
Total unrestricted funds	1,013	4,173	(311)	(2,101)	2,774
Total funds	12,658	63,591	(46,476)	4,462	34,235

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

General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Other Annual Grants

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

Start Up Grant

Funds provided by the LEA for pre-opening costs.

School Improvement

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

Analysis of academies by Funds balance

Unrestricted Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £000	Total 2016 £000
Academy At St James	68	-
Belle Vue Girls' Academy	976	-
Bradford Forster Academy	367	127
Buttershaw Business & Enterprise College	177	-
Christ Church C of E Primary Academy	193	153
Immanuel College	449	432
Oxenhope C of E Primary Academy	2	30
St Oswalds C of E Primary Academy	266	525
St Philips C of E Primary Academy	8	56
Westminster C of E Primary Academy	57	80
Central services	301	(57)
Total before fixed assets and pension reserve	2,774	1,346
Restricted fixed asset fund	35,787	15,716
Pension reserve	(4,326)	(4,464)
Total	34,235	12,658

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	Total 2017 £000	Total 2016 £000
Academy at St James	506	48	76	310	1,360	-
Belle Vue Girls' Academy	5,425	749	357	1,038	7,568	-
Bradford Forster Academy	1,633	444	162	729	2,967	2,302
Buttershaw Business & Enterprise College	6,212	465	432	3,127	10,235	-
Christ Church C of E Primary Academy	739	92	79	250	1,159	1,172
Immanuel College	5,524	918	565	1,465	8,471	4,549
Oxenhope C of E Primary Academy	657	79	25	249	1,010	170
St Oswalds C of E Primary Academy	1,701	195	165	501	2,562	2,349
St Philips C of E Primary Academy	785	120	52	302	1,259	1,162
Westminster C of E Primary Academy	2,365	270	132	656	3,422	565
Central Services	339	405	101	4,569	5,434	565
Academy Trust	26,306	3,785	2,145	13,214	45,449	12,850

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

16 Analysis of Net Assets between Funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Tangible fixed assets	-	-	35,274	35,274
Current assets	2,774	2,575	443	5,792
Current liabilities		(2,505)		(2,505)
Pension scheme liability	-	(4,326)	-	(4,326)
Total net assets	2,774	(4,256)	35,717	34,235

17 Commitments under operating leases

Operating Leases

At 31 August 2017 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 (Arney) 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.

	2017 £000	2016 £000
Amounts due within one year	1,480	35
Amounts due between one and five years	5,753	60
Amounts due after five years	15,544	-
	22,777	95

At 31 August 2017 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:

	2017 £000	2016 £000
Amounts due within one year	2,099	1,005
Amounts due between one and five years	2,474	1,380
	4,573	2,385

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

18 Reconciliation of Net Income/(expenditure) to Net Cash Flow from Operating Activities

	2017	2016
	£000	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	17,115	(195)
Adjusted for:		
Depreciation charges (note 11)	1,027	525
Capital grants from DfE and other capital income	(20,831)	(757)
Interest receivable (note 5)	(7)	(7)
Defined benefit pension scheme obligation inherited	2,992	1,171
Defined benefit pension scheme cost less contributions payable (note 22)	1,332	213
Defined benefit pension scheme finance cost (note 22)	138	43
(Increase)/decrease in stocks	(2)	-
(Increase)/decrease in debtors	(184)	(363)
Increase/(decrease) in creditors	1,314	(290)
Net cash provided by / (used in) Operating Activities	2,893	340

19 Cash Flows from Investing Activities

	2017	2016
	£000	£000
Dividends, interest and rents from investments	7	7
Purchase of tangible fixed assets	(20,540)	(828)
Capital grants from DfE/ESFA	842	83
Transfer of fixed assets on conversion	19,853	674
Net cash provided by / (used in) Investing activities	161	(64)

20 Analysis cash and cash equivalents

	At 31 August 2017	At 31 August 2016
	£000	£000
Cash in hand and at bank	5,071	2,017
Total cash and cash equivalents	5,071	2,017

21 Members' Liability

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

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the period ended 31 August 2017 (continued)

22 Pension and Similar Obligations

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million, giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- The assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer pension costs paid to TPS in the period amounted to £2,347,741.

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

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

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

22 Pension and Similar Obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £1,265,000 (2016: £466,000), of which employer's contributions totalled £888,000 (2016: £330,000) and employees' contributions totalled £377,000 (2016: £136,000). The agreed contribution rates for future years are between 12.4 per cent and 18.4 per cent for employers and between 5.5 per cent and 12.5 per cent for employees.

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

Principal Actuarial Assumptions

	At 31 August 2017	At 31 August 2016
Rate of increase in salaries	2.00%	2.00%
Rate of increase for pensions in payment/inflation	2.00%	2.00%
Discount rate for scheme liabilities	2.50%	2.00%
Inflation assumption (CPI)	2.00%	2.00%

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

	At 31 August 2017	At 31 August 2016
<i>Retiring today</i>		
Males	22.1	22.7
Females	25.2	25.6
<i>Retiring in 20 years</i>		
Males	23.0	24.9
Females	27.0	28.0

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

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equities	11,313	2,154
Property	660	138
Government bonds	1,409	321
Corporate bonds	572	120
Cash	220	40
Other	499	95
Total market value of assets	14,673	2,868

The actual return on scheme assets was £1,565,000 (2016: £423,000).

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

22 Pension and Similar Obligations (continued)

Amounts recognised in the statement of financial activities

	2017 £000	2016 £000
Current service cost (net of employee contributions)	(2,082)	(541)
Net interest cost	(138)	(43)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	(1)
Total operating charge	<u>(2,220)</u>	<u>(585)</u>

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

	2017 £'000	2016 £'000
At 1 September	10,907	2,802
Current service cost	2,082	541
Interest cost	384	179
Employee contributions	377	138
Actuarial (gain)/loss	(3,143)	3,006
Benefits paid	(146)	(73)
Past service cost	-	1
Plan introductions, benefit changes, curtailments and settlements	<u>8,538</u>	<u>4,315</u>
At 31 August	<u>18,999</u>	<u>10,907</u>

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

	2017 £'000	2016 £'000
At 1 September	6,443	2,052
Interest income	246	138
Actuarial gain/(loss)	1,319	718
Employer contributions	888	330
Employee contributions	377	138
Benefits paid	(146)	(73)
Plan introductions, benefit changes, curtailments and settlements	<u>5,546</u>	<u>3,144</u>
At 31 August	<u>14,673</u>	<u>6,443</u>

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

23 Related Party Transactions

The Trust is related to Educational Development Limited and the Diocese of Leeds which are trading companies of the Diocesan Board of Education. During the period the following transactions took place between the Trust and this related party:

The Trust provided a consultation service to the Diocesan Board of Education (1). This was to give professional advice in setting up a new Trust. The professional fees provided were at cost.

		2017	2016
		£000	£000
1 - Professional Fees	(Income)	£36	-
2 - Supply Cover	(Expense)	£80	-
3 - Diocesan SLA's	(Expense)	£1	-

There were £18k due from Educational Development Limited at the year end (2016 - £nil).

A Trustee has declared an interest in a company providing "supply cover" for staff (The Classroom Partnership (2)). A benchmarking exercise has provided evidence that this service is of good value.

There were £10k due to The Classroom Partnership at the year end (2016 - £nil).

24 Events after the end of the reporting period

There were two new academies joined the Trust on the 1st October 2017, Clayton St John Church of England Primary School, East Morton Church of England Primary School, one new academy on 1st November 2017, St John's Church of England Primary School.

25 Central Services

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

> Educational Support Services	> Apprenticeship Levy Support Services
> Financial Services	> Financial Services
> HR Services	> Budgetary Services
> Insurance	> Financial Training and Support
> Legal Services	> Governance Support and Clerking
> Others as they arise	> Risk Management Training and Support

The trust charges for these services as a 4.5% of GAG income (this increased on 1 January 2017 from 3% due to the central services providing additional services)

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

The actual amounts charged during the year were as follows:

	2017	2016
	£000	£000
Academy At St James	70	-
Belle Vue Girls' Academy	260	-
Bradford Forster Academy	111	60
Buttershaw Business & Enterprise College	511	-
Christ Church C of E Primary Academy	43	48
Immanuel College	288	87
Oxenhope C of E Primary Academy	38	4
St Oswalds C of E Primary Academy	101	97
St Philips C of E Primary Academy	68	47
Westminster C of E Primary Academy	156	22
	1,646	365

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

26 Conversion to Academy Status

On 1 January 2017 the St James Church of England Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bradford Diocesan Academies Trust from the Bradford Local Authority for £nil consideration.

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

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
· Other tangible fixed assets	-	-	160	160
Budget surplus on LA funds	24	-	-	24
LGPS pension (deficit)	-	-	-	-
Net assets/(liabilities)	24	-	160	184

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

26 Conversion to Academy Status

On 1 September 2016 the Butteshaw Business & Enterprise College converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bradford Diocesan Academies Trust from the Bradford Local Authority for Enil consideration. This conversion incorporating a PFI and as such there were no assets to transfer.

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

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
· Other tangible fixed assets	-	-	-	-
Budget surplus on LA funds	557	-	-	557
Budget surplus on other school funds	-	-	-	-
LGPS pension (deficit)	-	(95)	-	(95)
Net assets/(liabilities)	557	(95)	-	462

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

27 Transfer of Existing Academies into the Trust

On 1 September 2016 the Belle Vue Girls' Academy (a stand alone Academy Trust), joined the Bradford Diocesan Academies Trust. The company that Belle Vue Girls' Academy was incorporated under has now been dissolved and all of its operations are now under the Bradford Diocesan Academies Trust control.

The Academy Trusts have agreed that the asset, liabilities and operations of the individual academy are transferred at nil consideration it will be accounted for as a gift. From the date of acquisition:

- the assets and liabilities of the incoming academy should be valued at their fair value

	Value reported by transferring Trust	Fair Value Adjustments	Transfer in recognised
	£000	£000	£000
Tangible fixed assets			
- Leasehold Land & Buildings	19,283	-	19,283
- Fixtures & Fittings	275	-	275
- Computer Equipment	134	-	134
- Motor Vehicle	1	-	1
Other Assets			
- Stock	2	-	2
- Debtors due in less than one year	128	-	128
Cash in Bank and in Hand	1,074	-	1,074
Liabilities			
- Creditors due in less than one year	(212)	-	(212)
Pensions			
- Pension Scheme Assets	3,592	-	3,592
- Pension Scheme Liabilities	(5,359)	-	(5,359)
Net Assets	18,918	-	18,918

Bradford Diocesan Academies Trust

Notes to the Financial Statements for the year ended 31 August 2017 (continued)

28 Restated Statement of Financial Activities for the year ended 31 August 2016 (including Income and Expenditure Account)

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Restated Total 2016
	£000	£000	£000	£000
Income and endowments from:				
Donations and capital grants	497	(166)	674	1,005
Charitable activities:				
Funding for the trust's educational operations	-	13,023	83	13,109
Other trading activities	501	-	-	501
Investments	7	-	-	7
Total	1,005	12,857	757	14,619
Expenditure on:				
Charitable activities:				
Academy trust educational operations	109	14,180	525	14,814
Total	109	14,180	525	14,814
Net income / (expenditure)	896	(1,323)	232	(195)
Transfers between funds	(62)	23	39	-
Other recognised gains / (losses):				
Actuarial (losses) / gains on defined benefit pension schemes	-	(2,288)	-	(2,288)
Net movement in funds	834	(3,588)	271	(2,483)
Reconciliation of funds				
Total funds brought forward at 1 Sep 2015	179	(543)	15,505	15,141
Total funds carried forward	1,013	(4,131)	15,776	12,658