



BATH & WELLS
Multi Academy Trust

'That they may have life, life in all its fullness' John 10:10

THE BATH AND WELLS DIOCESAN ACADEMIES TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

Registered Number 08207095



**THE BATH AND WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**THE BATH AND WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS
TRUSTEES AND ADVISERS**

Members:	N Daniel N May The Bath and Wells DBE Trust (T Blackshaw - appointed 1 st April 2018) The Bath and Wells DBE Trust (S Robinson - resigned 31 st March 2018) The Rt Revd Ruth Worsley
Trustees:	N Daniel – Chair R Bailey PJ Bowditch R Eggleton D MacRae R Newton WPL Simmons GD Stobart (resigned 31 December 2017) J McGillivray T Blackshaw (resigned 27 February 2018) O Cofler DW St John Heath TJ Jeffery G Minns (appointed 18 September 2017) A Priest (appointed 18 September 2017) J Thompson (resigned 31 August 2018)
Company Secretary	J Brown
Company name	The Bath and Wells Diocesan Academies Trust
Company registered number	08207095
Principal and Registered Office	The Old Deanery St Andrews Street Wells Somerset BA5 2UG
Accounting Officer	Philip Bowditch

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS
TRUSTEES AND ADVISERS (continued)**

Senior Management Team P Bowditch, Chief Executive Officer
 J Brown, Chief Operating Officer
 T Wheeler, Director of Learning and Achievement
 J Moore, Human Resources Manager

Independent Auditors Bishop Fleming LLP
 Chartered Accountants
 Statutory Auditors
 16 Queen Square
 Bristol BS1 4NT

Bankers National Westminster Bank Plc
 7 High Street
 Wells
 Somerset BA5 2AD

Solicitors Taylor Culshaw Limited
 60 High Street
 Burnham on Sea
 Somerset TA8 1AG

**THE BATH AND WELLS DIOCESAN ACADEMIES TRUST
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TRUSTEES REPORT FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company and the group for the year ended 31 August 2018. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

At 31 August 2018 the Trust operated 30 primary academies in The Bath and Wells Diocese. It had a combined pupil roll of 7414 at July 2018.

Within the following reports the Bath and Wells Diocesan Academies Trust may be referred to as the Bath and Wells MAT, the Academy Trust or the MAT, all of these terms are interchangeable.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company and the group's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of the Bath and Wells Diocesan Academies Trust are also the directors of the charitable company and the group for the purposes of company law.

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

Members Liability

Each member of the charitable company, and the group, undertakes to contribute to the assets of the Company in the event of it being wound up while they are 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 they cease to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees 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 Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £2,000,000.

**THE BATH AND WELLS DIOCESAN ACADEMIES TRUST
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TRUSTEES REPORT FOR THE YEAR ENDED 31 AUGUST 2018

TRUSTEES

Method of recruitment and appointment or election of Trustees

As set out in the Memorandum and Articles of Association (M&A) for the Bath and Wells Diocesan Academies Trust (MAT), the members of the MAT are:

The Bath and Wells Diocesan Board of Education Trust (DBE Trust) (in its corporate capacity), two members appointed by the Bath and Wells DBE Trust (named individuals) and the Chair of the Board of Directors; these members then appointed further Trustees in accord with the M&A, with the DBE Trust to maintain a majority of Trustee appointments.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the MAT's development. This Board of Directors of the Bath and Wells MAT is the overarching governing body for every school within the MAT.

A Local Governing Board (LGB) for each individual school was set up post-conversion to undertake the day to day running of each school in line with the agreed Scheme of Delegation. The constitution for these LGBs is also set out in the M&A and must include:

- A majority of LGB members appointed by the MAT Board of Directors
- At least one member of staff, that being the Headteacher/Principal
- Two elected parent governors
- A minimum total of 9 LGB members

Provided that the BWMAT majority of appointed LGB members are maintained, LGBs can request to appoint additional elected staff members. These LGB members were recruited via an advertised process and a skills audit and have had a clear and comprehensive training schedule. LGB members are appointed for a four-year period, except that this time limit does not apply to the Headteacher/Principal. Subject to remaining eligible to be a particular type of LGB member, they can be re-appointed/re-elected.

Policies and Procedures adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience. LGB members will have a tour of the school and a chance to meet staff and pupils. All Trustees and LGB members are provided with copies of the relevant policies, procedures, minutes, accounts, budgets, plans and other documents that they need to undertake their role. Trustee induction tends to be done informally and is tailored specifically to the individual. LGB induction training will be coordinated by the MAT governance advisor and each member has access to a number of inhouse CPD courses available throughout the year as well as termly governor briefings.

Each LGB also has membership to the National Association of Governors (NGA).

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TRUSTEES REPORT FOR THE YEAR ENDED 31 AUGUST 2018

Organisational Structure

The Full Board of Trustees meets at least 5 times per year to monitor closely the academic progress of schools within the Trust, in addition to the sub committees. Standard meetings allow for all necessary business to be conducted, including budget setting and monitoring. The Board establishes an overall framework for the governance of the MAT and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are currently 4 sub committees of the MAT Board of Directors as follows:

- Finance and Audit Committee – this meets at least three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting and drafting the annual budget including setting staffing levels. It also receives Internal Audit Reports and provides independent assurance to the board and monitors the risk management strategy.
- Ethos, Learning and Achievement Committee – to review assessment and performance data from each academy
- HR and Remuneration Committee – this meets at least three times a year to discuss pay policies and awards, reviews Headteachers performance management process and general human resource policies
- Admissions Committee – which meets at least three times a year to review and set strategic admission arrangements across the Trust. It has responsibility for establishing compliant arrangements for admission appeals.

The following decisions are reserved to the Board of Trustees; to consider any proposals for changes to the status or constitution of the Schools and their committee structure, to appoint or remove the Chair and/or Vice Chair, to appoint the Clerk to the Board of Directors and to approve the Annual Development Plan and budget.

The Board of Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Schools by the use of budgets and pupil assessment data, and making major decisions about the direction of the Schools, capital expenditure and staff appointments.

The Board of Trustees have devolved responsibility for day to day management of each school to the LGB and Headteacher/Principal acting within the budget set by the BWMAT Board of Trustees. The LGB usually have three sub-committees looking at:

- School improvement and staffing
- Finance, premises and resources
- Ethos (this includes members of the local worshipping community)

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The leadership structure of each individual school within the BWMAT is tailored to meet the needs of the specific school, dependent on its number on roll, its academy action plan, its levels of SEN and its budget.

In 2016/17 the BWMAT introduced an academy hub structure that grouped schools together in a closer geographical location. The Hubs are operational in nature and do not have a legal or governance structure attached to them. The Hubs primary purpose is to enable sharing of best practice, collaboration and joint professional development. There are currently four Hubs, Taunton, North Somerset, South Somerset and Bath, each Hub has an executive leader responsible for its performance.

The Chief Executive is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The HR and Remuneration sub-committee are responsible for general HR policy and procedures. All management posts are evaluated under the job evaluation scheme. Salaries are determined by a number of factors, these include scope, impact, external benchmarking and affordability.

Trade union facility time

Facility Time is the provision of paid or unpaid time off from an employee's normal role to undertake trade union duties and activities as a trade union representative. Under the Trade Union (Facility Time Publication Requirements) Regulations 2017, the Trust as a relevant public sector employer is now required to collect and publish, on an annual basis, a range of data in relation to their employees who are trade union representatives.

In 2017-18 the Trust provided this facility by contributing to the local authority, who provide this resource.

The total cost of facility time was £7k (0% of the Trust's total pay bill).

Connected Organisations, including Related Party Relationships

Bath and Wells Education Services Limited (co reg no 08464587) is a related party as a wholly owned subsidiary of the Academy Trust.

The Bath and Wells DBE Trust (a company limited by guarantee with company registration number 07778078) is a related party as R Eggleton and R Bailey, Directors of the Academy Trust, are also Trustees of the Bath and Wells DBE Trust.

The members of the Bath and Wells Diocesan Academies Trust, N May, R Worsely and T Blackshaw (DBE Trust representative), are also Trustees of the Bath and Wells DBE Trust.

The Board of Education of the Diocese of Bath and Wells (established pursuant to the Diocesan Boards of Education Measure 1991)(“the Board”) is a related party as the said R Eggleton and R Bailey are also members of the said Board.

**THE BATH AND WELLS DIOCESAN ACADEMIES TRUST
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TRUSTEES REPORT FOR THE YEAR ENDED 31 AUGUST 2018

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy Trust is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities.

The aims of the Academy Trust are:

- All pupils attend a good and better school with a broad, balanced and inspiring curriculum.
- All pupils make good and better progress, relative to their starting point.
- Year on year, more pupils across the Trust achieve and exceed age related expectations in reading, writing and mathematics.
- Every pupil develops academically, socially, emotionally and spiritually within a distinctive Christian ethos.

Objectives, Strategies and Activities

Key priorities for the year are contained in our Strategic improvement plan.

Our strategic aims will enable us to achieve the best possible outcomes for pupils.

Priority.1 People, Learning and Teaching High quality staff, developed through effective school improvement and training, secures a self-sustaining, continually improving Trust.	1.1 RDLAs and Head teacher Peer to Peer collaboration results in continual improvement/embedded consistencies in key aspects of teaching, learning and leadership. 1.2 Consistencies established in key aspects of teaching, learning and leadership 1.3 Succession planning and strategic staff deployment 1.4 Links with teaching schools supports CPD within Hubs 1.5 Processes emphasise staff value, engagement and retention
Priority 2 Business, Finances, Premises and Resources Business management effectively supports the delivery of the Strategic Plan	2.1 Balanced budget 2.2 Sharing of resources and expertise 2.3 In House payroll and HR System Option appraisal 2.4 Increasing and effective central service in premises, safeguarding, HR and finance 2.5 Hubs understand risk register 2.6 Development of the staff remuneration and benefits offer, and recruitment processes 2.7 ICT Strategy
Priority 3 Leadership and Governance High quality leadership and governance delivers good and better outcomes across the Trust	3.1 Growth successfully consolidated, growth adds capacity and staged plans secure 3.2 Scheme of delegation secure 3.3 Development in Hubs adds regional capacity 3.4 School leadership effective in delivering KPIs 3.5 Hubs have clear priorities and plans linked to Trust priorities 3.6 Development of Trust-wide training for leaders

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Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

The Academy Trust aims to advance for the public benefit, education in the Diocese of Bath and Wells. In particular, but without prejudice to the generality of the foregoing by establishing, maintaining, managing and developing academies, offering a broad curriculum set within a distinctively Christian ethos.

The MAT provides opportunities for children, their parents and the local communities that it serves through a range of extra-curricular activities and opportunities.

As a MAT, we are working to support all of the schools within the MAT and to develop a culture of mutual support and development across these schools. Within the broader diocesan context, each of these schools remains part of the broader family of church schools and part of that network. The commitment to developing a high quality curriculum, delivered by well trained and effective teaching and support staff, and the sharing of expertise is already underway.

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TRUSTEES REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (continued)

STRATEGIC REPORT

Achievements and Performance

Pupil outcomes Bath and Wells Multi Academy Trust (BWMAT): 2018

KS2 attainment

- The proportion of pupils attaining age related expectations (ARE) is above the national benchmarks in ALL core subjects, Reading (76% compared to 75% nationally) and Writing (81% compared to 78% nationally) and Mathematics (79% compared to 76% nationally).
- RWM combined is above the national (67% compared to 64% nationally).

KS2 Greater Depth

- In 2018 at the end of KS2 the proportion of pupils attaining greater depth is broadly in line with National Averages In Reading (25% compared to 28% nationally) above in Writing (25% compared to 20% nationally) and just below in Mathematics (21% compared to 24% nationally)

KS1 Attainment

- Attainment is well above national averages in Reading: 79% compared to 76% nationally, in Mathematics: 80% compared to 76% nationally and in Writing: 74% compared to 70% nationally.

KS1 Greater Depth

- The proportion of pupils achieving Greater Depth at the end of KS1 is above national averages in all core subjects: Reading 28% compared to 26% nationally; Writing 19% compared to 16% nationally; Mathematics 24% compared to 22% nationally.

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TRUSTEES REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (continued)

The tables below depict data for the 19 Schools in the Trust from September 2017 and 18 schools belonging to the Trust in 2016/17. The below data does not include the eleven schools that joined in March and April 2018.

Key Stage 2 Proportion of pupils achieving Age Related Expectations

		Reading		Writing		Maths		RWM	
		2017	2018	2017	2018	2017	2018	2017	2018
National		71%	75%	76%	78%	75%	76%	61%	64%
BWMAT		74%	76%	79%	81%	72%	79%	61%	67%
		(+3)	(+1)	(+3)	(+3)	(-3)	(+3)	(0)	(+7)
% improved	% BWMAT	2%		2%		7%		6%	
	% National	4%		2%		1%		3%	

Key Stage 2 Proportion of pupils achieving Greater Depth

		Reading		Writing		Maths	
		2017	2018	2017	2018	2017	2018
National		25%	28%	18%	20%	23%	24%
BWMAT		24%	25%	24%	25%	19%	21%
		(-1)	(-3%)	(+6)	(+5%)	(-4)	(-3%)

Key Stage 1 Proportion of pupils achieving Age Related Expectations

		Reading		Writing		Maths	
		2017	2018	2017	2018	2017	2018
National		76%	75%	68%	70%	75%	76%
BWMAT		80%	79%	65%	74%	80%	80%
		(+4%)	(+4%)	(-3%)	(+4%)	(+5%)	(+4%)

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TRUSTEES REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (continued)

Key Stage 1 Proportion of pupils achieving Greater Depth

	Reading	Writing	Maths
	2018	2018	2018
National	26%	16%	22%
BWMAT	28%	19%	24%
	(+2%)	(+3%)	(+2%)

Going Concern

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

**THE BATH AND WELLS DIOCESAN ACADEMIES TRUST
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TRUSTEES REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (continued)

FINANCIAL REVIEW

Financial Review

Most of the Academy Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2018 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

At 31 August 2018 the total fund balances at individual academies (note 22) totalled £3,157k this represented an increase of £871k from 31 August 2017. This position is being distorted by £742k of capital income from the DfE not yet committed but due to be spent in 2018/19. An amount of £259k had been held as committed capital income at 31 August 2017.

When eliminating the non-school specific balances of capital, the unrestricted fixed asset reserve and the annual leave accrual there has been an increase of £381k on funds. With the addition of 12 schools this academic year they have contributed a balance of £593k. Existing academies and central revenue reserves decreased by £212k. The overall position of reserves relating to existing schools is a steady picture with the decline predominantly in relation to the building of a new classroom at St James Church schools and resourcing for growth within the central team. Maintaining overall operating reserves at school level has been a challenge as it is set against a context of investing to improve standards whilst dealing with real term reductions in funding, as staff costs have increased in the period but have not been funded.

At 31 August 2018 the net book value of fixed assets was £89,775k and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

The buildings are occupied under licence, with the arrangement evidenced in a supplemental agreement between the Trust, the Diocese and the Secretary of State. The accounting treatment of land and buildings held under supplemental agreements is detailed in accounting policy 1.7. The buildings were professionally valued on conversion, the combined values added in the year total £38,190k.

The balance of the former schools' budget share, £490K was transferred across on conversion (note 29).

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in note 28 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teachers, managers, budget holders and other staff, as well as delegated authority for spending.

The Trustees procure external advisors to deliver an internal audit function to provide robust assurance that its financial controls and risk management strategy were effective and that the Trust is operating within its funding agreement.

**THE BATH AND WELLS DIOCESAN ACADEMIES TRUST
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TRUSTEES REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (continued)

Reserves Policy

The Board of Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves.

The policy of the Board is that the Academy plans to spend the majority of its revenue income each year on the students in its care; but also to maintain a level of free reserves that will be adequate to provide a stable base for the continuing operation of the Academy whilst ensuring that excessive funds are not accumulated. The level of reserves required will be reviewed each year by the Board.

The level of revenue reserves that the Board recommend for each school for 2017/18 varies depending on their individual circumstance, the target is between 7-12%. The target for the overall Trust is 7%. At year end the level of revenue reserves for the Trust are 7% with free reserves being 5.2%.

These reserves are held for the investment in buildings, to smooth any change in pupil led funding and to provide for any unforeseen liabilities. These reserves will provide a cushion to deal with unexpected emergencies such as urgent maintenance.

In addition to free reserves capital sums are set aside each year for planned replacement of capital items such as ICT infrastructure etc.

Investment Policy

The Board of Trustees are firmly committed to ensuring that all funds under their control are administered in a risk adverse investment strategy. As such the Board do not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the various funds entrusted to the Board.

Due to the nature of the funding cycle, the Academy may at times hold large cash balances which may not be required for immediate use. The Board have authorised the opening of a cash pooling scheme which encompasses all of the Academy current accounts, this sweeps excess funds daily into a special interest-bearing account, taking advantage of higher interest rates. Where cash flow allows, sums in excess of £800k may be invested on short term treasury deposit for extended periods.

**THE BATH AND WELLS DIOCESAN ACADEMIES TRUST
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TRUSTEES REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (continued)

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Academy Trust are as follows:

Reputational – the continuing success of the Academy Trust is dependent on implementing rapid and sustained educational achievement in its academies and continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

Financial - the Academy Trust has considerable reliance on continued Government funding through the ESFA. In the last year 94.8% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management – the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Non-controllable increases in cost – recent changes in Local Government Pension Scheme (LGPS) legislation has resulted in unforeseen and high increases in support staff costs. Detailed regular budget monitoring is taken in year and maintaining three-year forecasts are essential to manage the long term financial sustainability.

Fraud and mismanagement of funds – The Academy Trust has engaged the services of an internal audit provider to carry out checks on financial systems as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

Safeguarding and child protection – the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.

Staffing – the success of the Academy Trust is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

The Academy Trust will continue to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and will be reviewed and updated on a regular basis by the Trustees.

**THE BATH AND WELLS DIOCESAN ACADEMIES TRUST
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TRUSTEES REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (continued)

Fundraising

Fundraising activities contribute only a small proportion of the Trusts income. This activity is led primarily through connected 'Friends of' or 'Parent Teacher Association' for each of the schools within the Trust, or through activities led by the local governing board. The Trust do not utilise any professional fundraisers to act on their behalf.

The events are focused on activities that are of interest and benefit to the school or local community. These activities are small in scale and usually focus on fundraising for specific named items.

The majority of the connected associations will have the Headteacher included within the committee; the Headteacher will act in the capacity to ensure that events and activities are appropriate; ensuring that no unreasonable, intrusive or persistent fundraising approaches are used and that there is no undue pressure to donate.

Disabled Employees

The Academy Trust gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the Academy Trust's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim

Employee Involvement

The Senior Management Team plan all potential development changes for the Trust and work in partnership with all stakeholders which includes employees, unions, Trustees and senior members of staff to communicate and support the Trust on all workforce changes. Changes involving staff terms and conditions are dealt with in accordance with HR policies in place.

PLANS FOR FUTURE PERIODS

We are working towards all of our schools, including our most vulnerable, providing an outstanding education of mind, body and spirit for all of our pupils. Through our 2018/19 Strategic and Growth Plans, we have a route map to move our Trust from 'developing' to embedding' in its self-evaluation.

Key actions in the Strategic and Growth Plans for 2018-19 include:

- We aim to have pupil outcomes above the national average, for the end of each key stage.
- Ensuring our growth is strategically planned and adds high quality capacity within our organisation.

**THE BATH AND WELLS DIOCESAN ACADEMIES TRUST
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TRUSTEES REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (continued)

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- Providing high quality MAT wide CPD for all groups, developing: leadership, teaching, learning (including assessment) for teachers and leaders; training for teaching assistants and governors.
 - The development of the North Somerset, South Somerset, Bath and Taunton hubs: rigorous, collaborative school improvement and locally determined professional development.
 - Further developing succession planning
 - Increased capacity of the Academy Trust Senior Leadership team.
 - To be outward looking – further developing links with teaching schools and other trusts.
 - Participating in the Communities project in partnership with the Bath and Wells Diocese.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

AUDITORS

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable group's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on 11 December 2018 and signed on the board's behalf by:



**N Daniel
Chair of Trustees**

**THE BATH AND WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform to 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 The Bath and Wells Diocesan Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
N Daniel	5	5
R Bailey	5	5
P Bowditch	5	5
R Eggleton	5	5
D MacRae	5	5
R Newton	4	5
W Simmons	5	5
G Stobart	1	2
J McGillivray	5	5
T Blackshaw	3	3
O Cofler	3	5
DW St John Heath	3	5
TJ Jeffrey	5	5
Gill Minns	5	5
Alex Priest	5	5
Julian Thompson	5	5

**THE BATH AND WELLS DIOCESAN ACADEMIES TRUST
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GOVERNANCE STATEMENT

This equates to 92% Trustees attendance

Governance reviews:

The Board is committed to its continuous improvement and have agreed to undertake the NGA Leading Governance Development for Boards programme, taking advantage of the DFE funding available. This is a consultant-led bespoke programme that will be tailored to the board's circumstances to improve practice and outcomes.

The Board and executive leaders are currently undertaking the evaluation element of the NGA programme which will lead into the next programme delivery module. The programme will continue into 2019.

The Finance and Audit Committee was a sub-committee of the main Board of Trustees for the year ended 31 August 2018. Its purpose was to monitor, evaluate and review policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting and drafting the annual budget including setting staffing levels, to oversee matters of internal control and external audit, receive Internal Audit reports and to provide independent assurance to the board and monitors the risk management

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
R Eggleton, Chair	4	4
P Bowditch	3	4
Alex Priest	4	4
R Newton	4	4
J McGillivray	4	4
O Cofler	2	4

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Chief Executive has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the 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 trustees where value for money can be improved including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year in the following areas:

- Nine of the Eighteen schools in the BWMAT data set are sponsored schools. To be above national averages in all KS2 subjects for the first time with reduced funding is providing excellent value for money. Each school, supported by the central finance

**THE BATH AND WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

support team are working hard to ensure its financial management and use of resources compares favourably to internal, local and national benchmarks, making use of internal and national benchmarking tools.

- The Trust is developing several supply chain relationships to improve the efficient and economical purchase of resources. These procurement opportunities are wide ranging from School stationery to ICT hardware and software. Standardising the range of ICT devices across the Trust will enable more efficient purchasing, more efficient technical support and greater ease to management.
- Two large scale procurement exercises have been undertaken this year for catering contracts across the North Somerset hub and the new Bath Hub. Approximately twenty schools have new bulk catering contracts providing an essential service at a reduced cost and at a high standard of delivery.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Bath and Wells Diocesan Academies Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 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 BATH AND WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

THE RISK AND CONTROL FRAMEWORK

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

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

The Board has considered the need for a specific internal audit function and has decided to appoint Audit West as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The checks carried out in the current period included:

- Procurement
- HR and Payroll systems
- Budgetary Control

On a termly basis the auditor reports to the Board of Trustees, through the finance and audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

All three reports were received by the Board of Trustees and no material issues were reported.

**THE BATH AND WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

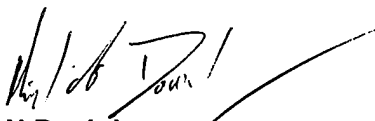
REVIEW OF EFFECTIVENESS

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

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

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

Approved by order of the members of the Board of Trustees on 11 December 2018 and signed on its behalf, by:



N Daniel
Chair of Trustees



P Bowditch
Accounting Officer

**THE BATH AND WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Bath and Wells Diocesan Academies Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Skills and Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material, irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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.

P Bowditch
Accounting Officer



Date: 11 December 2018

**THE BATH AND WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the Board of Trustees on 11 December 2018 and signed on its behalf by:



N Daniel
Chair of Trustees

**THE BATH AND WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BATH & WELLS
DIOCESAN ACADEMIES TRUST (continued)**

We have audited the Financial Statements of The Bath and Wells Diocesan Academies Trust (the 'Academy Trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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, 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 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the Financial Statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2018 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 2017 to 2018 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 Auditors' responsibilities for the audit of the Financial Statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

**THE BATH AND WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BATH & WELLS
DIOCESAN ACADEMIES TRUST (continued)**

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the Financial Statements and our Auditors' 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.

OPINION 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 which the Financial Statements are prepared is consistent with the Financial Statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**THE BATH AND WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BATH & WELLS
DIOCESAN ACADEMIES TRUST (continued)**

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' 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 Auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

USE OF OUR REPORT

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



Joseph Scaife FCA DChA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT
Date: 18/12/18

**THE BATH AND WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY
TO THE BATH AND WELLS DIOCEAN ACADEMIES TRUST AND THE EDUCATION &
SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 29 November 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Bath and Wells Diocesan Academies Trust during the year 1 September 2017 to 31 August 2018 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 The Bath and Wells Diocesan Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Bath and Wells Diocesan Academies Trust and the 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 The Bath and Wells Diocesan Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE BATH AND WELLS DIOCEAN ACADEMIES TRUST'S
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of The Bath and Wells Diocesan Academies Trust's funding agreement with the Secretary of State for Education dated 30 March 2011, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 year 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by the 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.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the Financial Statements where appropriate and included analytical review and detailed substantive testing of transactions.

**THE BATH AND WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON
REGULARITY TO THE BATH AND WELLS DIOCESAN ACADEMIES TRUST AND THE
EDUCATION AND SKILLS FUNDING AGENCY**

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 year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Joseph Scaife FCA DChA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Date: 18/12/18

THE BATH AND WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total funds 2018	Total funds 2017
		£000	£000	£000	£000	£000
INCOME FROM:						
Donations and capital grants						
Transfer from local authority on conversion	2	416	(4,465)	38,190	34,141	12,096
Other donations and capital grants	2	113	2,087	-	2,200	1,062
Charitable activities	3	-	28,003	-	28,003	20,316
Other trading activities	5	798	-	-	798	472
Investment income	6	6	-	-	6	6
TOTAL INCOME		1,333	25,625	38,190	65,148	33,952
EXPENDITURE ON:						
Raising funds		400	-	-	400	266
Charitable activities		929	29,808	1,626	32,363	22,235
TOTAL EXPENDITURE	8	1,329	29,808	1,626	32,763	22,501
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		4	(4,183)	36,564	32,385	11,451
Gross transfers between funds	21		(1,320)	1,320	-	-
NET INCOME/(EXPENDITURE) FOR THE YEAR BEFORE OTHER GAINS AND LOSSES		4	(5,503)	37,884	32,385	11,451
Other recognised gains						
Actuarial gains and losses on defined benefit pension schemes	27		2,696	-	2,696	1,806
NET MOVEMENT IN FUNDS		4	(2,807)	37,884	35,081	13,257
RECONCILIATION OF FUNDS						
Total funds at 1 September 2017		1,080	(10,444)	51,876	42,512	29,255
TOTAL FUNDS AT 31 AUGUST 2018		1,084	(13,251)	89,760	77,593	42,512

All activities derive from continuing operations during the above two financial periods
The notes on pages 33 to 72 form part of these financial statements

THE BATH AND WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE) REGISTERED NUMBER 08207095

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	2018 £000	2017 £000
FIXED ASSETS			
Tangible assets	15	89,775	51,883
CURRENT ASSETS			
Debtors	17	2,527	1,409
Cash at bank and in hand	26	3,880	2,765
		<u>6,407</u>	<u>4,174</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	18	(3,253)	(1,884)
NET CURRENT ASSETS		<u>3,154</u>	<u>2,290</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>92,929</u>	<u>54,173</u>
Creditors: due after more than one year	19	(12)	(11)
NET ASSETS EXCLUDING PENSION		<u>92,917</u>	<u>54,162</u>
Pension Scheme Liability	27	(15,324)	(11,650)
NET ASSETS INCLUDING PENSION		<u><u>77,593</u></u>	<u><u>42,512</u></u>
FUNDS OF THE ACADEMY TRUST:			
Restricted Funds			
General Funds	21	2,073	1,206
Fixed Asset Fund	22	89,760	51,876
Pension Reserve	21	(15,324)	(11,650)
Total Restricted Funds		<u>76,509</u>	<u>41,432</u>
Unrestricted Funds:			
Unrestricted Funds:	21	1,084	1,080
TOTAL FUNDS		<u><u>77,593</u></u>	<u><u>42,512</u></u>

The financial statements on pages 29 to 72 were approved by the Trustees and authorised for issue on 11 December 2018 and are signed on their behalf by:


N Daniel
Chair of Trustees


P Bowditch
Chief Executive

THE BATH AND WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE) REGISTERED NUMBER 08207095

ACADEMY TRUST BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	2018 £000	2017 £000
FIXED ASSETS			
Tangible assets	15	89,775	51,883
Investments	16	-	-
		<u>89,775</u>	<u>51,883</u>
CURRENT ASSETS			
Debtors	17	2,533	1,408
Cash at bank and in hand		<u>3,829</u>	<u>2,741</u>
		6,362	4,149
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	18	(3,208)	(1,859)
NET CURRENT ASSETS		<u>3,154</u>	<u>2,290</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>92,929</u>	<u>54,173</u>
Creditors: due after more than one year	19	(12)	(11)
NET ASSETS EXCLUDING PENSION LIABILITY		<u>92,917</u>	<u>54,162</u>
Pension Scheme Liability	27	(15,324)	(11,650)
NET ASSETS INCLUDING PENSION LIABILITY		<u>77,593</u>	<u>42,512</u>
FUNDS OF THE ACADEMY TRUST:			
Restricted Funds			
General Funds	22	2,073	1,206
Fixed Asset Fund	22	89,760	51,876
Pension Reserve		<u>(15,324)</u>	<u>(11,650)</u>
Total Restricted Funds		<u>76,509</u>	<u>41,432</u>
Unrestricted Funds:			
General Fund	22	1,084	1,080
TOTAL FUNDS		<u>77,593</u>	<u>42,512</u>

The financial statements on pages 29 to 72 were approved by the Trustees and authorised for issue on 11 December 2018 and are signed on their behalf by:


N Daniel
Chair of Trustees


P Bowditch
Chief Executive

THE BATH AND WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE) REGISTERED NUMBER 08207095

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	24	97	1,059
Cash flows from investing activities	25	370	(774)
Cash transferred on conversion		638	393
Change in cash and cash equivalents in the reporting period		1,105	678
Reconciliation of net cash flow to movement in funds			
Increase in cash in year		1,105	678
Movement in net funds in the year		1,105	678
Net funds at 1 September 2017		2,741	2,063
Net funds at 31 August 2018	26	3,846	2,741

**THE BATH AND WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE) REGISTERED NUMBER 08207095**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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

1.1 Basis of Preparation

General

The Bath and Wells Diocesan Academies Trust constitutes a public benefit entity as defined by FRS102. The financial statements of the Academy Trust, 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 (FRS102) (charities SORP (FRS102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Academy Trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Academy Trust alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

THE BATH AND WELLS DIOCESAN ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE) REGISTERED NUMBER 08207095

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018 (continued)

1 Statement of Accounting Policies (continued)

1.2 Fund Accounting

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

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

1.3 Incoming Resources

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

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting and 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 (GAG) 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 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 in restricted funds.

Sponsorship Income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018 (continued)

1 Statement of Accounting Policies (continued)

Other Income

Other Income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the Academy 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 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'.

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

1.4 Expenditure

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

Expenditure on Raising Funds

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

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

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NOTES TO THE FINANCIAL STATEMENTS
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1 Statement of Accounting Policies (continued)

1.5 Going Concern

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

1.6 Basis of Consolidation

The financial statements consolidate the accounts of The Bath and Wells Diocesan Academies Trust and all of its subsidiary undertakings (subsidiaries').

The Academy Trust has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and Expenditure account. The Net Income (excluding gains and losses) for the year/period dealt with in the accounts of the Academy Trust was £32,385k (2017: £11,451k).

1.7 Tangible Fixed Assets and Depreciation

All assets costing more than £2,000 have been capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged 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.

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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	- Straight line over 50 years
Land and buildings improvements	- Straight line over 15 years
Furniture and equipment	- Straight line over 7 years
Fixtures and fittings	- Straight line over 7 years
Computer equipment	- Straight line over 3 years

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1 Statement of Accounting Policies (continued)

Where the Trust has been granted use of school buildings from the Diocese of Bath & Wells under Supplemental Agreements, the Academies Accounts Direction prescribes that where the Academy Trust concludes it has control over access and works of the land and buildings they can be recognised as an asset.

The land and buildings have been included within the long-term property of the Trust as the Diocese of Bath & Wells are currently not exerting control over the assets.

The Supplemental Agreement includes the right for the Diocese of Bath & Wells Trustees to give not less than 2 years written notice to the Academy Trust and Secretary of State for Education to terminate the agreement. No such written notice has been received as at the date of the approval of the financial statements.

1.8 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.9 Operating Leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

1.10 Interest Receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the Bank.

1.11 Debtors

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.12 Cash at Bank and In Hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018 (continued)

Statement of Accounting Policies (continued)

1.13 Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 20. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 21. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

Liabilities

1.14

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.

1.15 Concessionary Loans

Concessionary loans include those payable to third parties which are interest free or below market interest rates. The loans are initially measured at cost, less impairment and subsequently the carrying amounts are adjusted to reflect repayments and any accrued interest.

1.16 Taxation

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018 (continued)

1 Statement of Accounting Policies (continued)

1.17 Pension Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 27, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

1.18 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

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1 Statement of Accounting Policies (continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2017 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

In order to value the school buildings for inclusion on the Balance Sheet, the Academy Trust obtains rebuild valuation costs and makes the assumption that the fair value for declaration is 65% (80% for new build schools) of that rebuild value. As stated in 1.7 of these policies, the Academy Trust has been granted use of these buildings by the Diocese of Bath and Wells but is held on the Balance Sheet as long-term leasehold properties as the risks and rewards of ownership remain with the Academy Trust.

Critical areas of judgement:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

1.19 Conversion to an Academy Trust

The conversion from a collection of state-maintained schools to the multi academy trust involved the transfer of identifiable assets and liabilities and the operation of the schools for £NIL consideration and has been accounted for under the acquisition accounting method

The assets and liabilities transferred on conversion from maintained schools to the Academy Trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for The Bath and Wells Diocesan Academies Trust. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transactions are set out in note 29.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018 (continued)

2 DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds 2018 £000	Restricted Funds 2018 £000	Total Funds 2018 £000	Total Funds 2017 £000
Transfer from Local Authority on Conversion	416	33,725	34,141	12,096
Capital Grants	32	1,527	1,558	706
Trip Income	-	425	425	227
Donations	81	136	217	129
	113	2,087	2,200	1,062

3 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2018 £000	Restricted Funds 2018 £000	Total Funds 2018 £000	Total Funds 2017 £000
Summary by Fund Type				
Education	-	27,015	27,015	19,632
Nursery	-	988	988	684
	-	28,003	28,003	20,316

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NOTES TO THE FINANCIAL STATEMENTS
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4 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds 2018 £000	Restricted Funds 2018 £000	Total Funds 2018 £000	Total Funds 2017 £000
DfE/ESFA Grants				
General Annual Grant (GAG)	-	22,760	22,760	16,735
Start-up Grants	-	320	320	145
Other DfE/ESFA Grant	-	3,041	3,041	2,145
	-	26,121	26,121	19,025
Other Government Grants				
High Needs	-	698	698	330
Growth Funding	-	48	48	107
Other Government Grants – non capital	-	64	64	44
	-	811	811	481
Other Income from the academy trust's educational operations				
Diocesan Board of Education (DBE)	-	26	26	92
Other	-	57	57	34
	-	83	83	126
	-	27,015	27,015	19,632

5 OTHER TRADING ACTIVITIES

	Unrestricted Funds 2018 £000	Restricted Funds 2018 £000	Total Funds 2018 £000	Total Funds 2017 £000
Lettings	59	-	59	57
Consultancy	2	-	2	4
Breakfast Clubs & Other Income	730	-	730	402
Uniform Income	7	-	7	9
	798	-	798	472

6 INVESTMENT INCOME

	Unrestricted Funds 2018 £000	Restricted Funds 2018 £000	Total Funds 2018 £000	Total Funds 2017 £000
Bank Interest	6	-	6	6

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NOTES TO THE FINANCIAL STATEMENTS
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7 EXPENDITURE BY CHARITABLE ACTIVITY

	Unrestricted Funds 2018 £000	Restricted Funds 2018 £000	Total Funds 2018 £000	Total Funds 2017 £000
Summary by Fund Type				
Education	793	30,466	31,259	22,456
Nursery	136	968	1,104	779
	<u>929</u>	<u>31,434</u>	<u>32,363</u>	<u>22,235</u>

8 EXPENDITURE

	Staff Costs 2018 £000	Non-Pay Premises 2018 £000	Expenditure Other 2018 £000	Total 2018 £000	Total 2017 £000
Expenditure on Raising Funds	316	-	84	400	266
Academy Trust Educational Operations:					
Direct Costs – Education	19,038	1,449	2,362	22,849	15,810
Direct Costs – Nursery	870	-	31	901	639
Support Costs – Education	4,276	1,819	2,315	8,410	5,646
Support Costs – Nursery	76	54	73	203	140
	<u>24,260</u>	<u>3,322</u>	<u>4,781</u>	<u>32,363</u>	<u>22,235</u>
	<u>24,576</u>	<u>3,322</u>	<u>4,865</u>	<u>32,763</u>	<u>22,501</u>

9 NET INCOME / (EXPENDITURE) FOR THE PERIOD INCLUDES:

	Total Funds 2018 £000	Total Funds 2017 £000
Depreciation of tangible fixed assets	1,628	1,154
Auditors' remuneration	26	19
Operating lease rentals:	<u>57</u>	<u>47</u>

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NOTES TO THE FINANCIAL STATEMENTS
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10 ANALYSIS OF COSTS

a. DIRECT COSTS

	Education 2018 £000	Nursery 2018 £000	Total 2018 £000	Total 2017 £000
Direct staff related costs	19,371	870	20,241	14,042
Depreciation	1,449	-	1,449	1,027
Technology costs	172	4	176	168
Educational supplies	1,289	23	1,312	861
Staff development costs	117	4	121	91
Trip Costs	428	-	428	251
Music Costs	23	-	23	9
Other direct costs	-	-	-	-
	22,849	901	23,750	16,449

b. SUPPORT COSTS

	Education 2018 £000	Nursery 2018 £000	Total 2018 £000	Total 2017 £000
Support Staff Costs	4,491	77	4,568	3,058
Depreciation	179	-	179	127
Technology Costs	239	3	242	159
Premises Costs	1,954	75	2,029	1,330
Catering Costs	834	8	842	674
Legal & Professional Costs	379	36	415	227
Office Costs	222	3	225	147
Security & Transport Costs	23	0	23	17
Other Support Costs	63	1	64	27
Governance Costs	26	-	26	20
	8,410	203	8,613	5,786

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11 STAFF

	Total 2018 £000	Total 2017 £000
a. Staff costs		
Staff costs during the period were as follows:		
Wages and salaries	18,347	13,114
Social security costs	1,474	1,047
Operating costs of defined benefit pension scheme	4,742	2,778
	<u>24,563</u>	<u>16,939</u>
Staff restructuring costs	102	45
	<u>24,665</u>	<u>16,984</u>
Staff restructuring costs comprise:		
Redundancy payments	-	14
Severance payments	89	31
Other restructuring costs	13	-
	<u>102</u>	<u>45</u>

b. Non-statutory /Non-contractual Staff costs

Included in severance costs are non-statutory / non-contractual severance payments totalling £45,000 (2017:£11,641). This consisted of one individual payment.

	31 Aug 18 No.	31 Aug 17 No.
c. Staff numbers		
Headcount		
The average number of persons employed by the Academy Trust during the year in terms of headcount was as follows:		
Teachers	341	267
Educational support	408	320
Administration and support	449	347
Management	26	21
	<u>1,224</u>	<u>955</u>

Full Time Equivalent (FTE)

The average number of persons employed by the Academy Trust during the year expressed as FTE was as follows:

	31 Aug 18 No.	31 Aug 17 No.
Teachers	265	201
Educational support	193	153
Administration and Support	135	96
Management	26	17
	<u>619</u>	<u>467</u>

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11 STAFF (continued)

	31 Aug 18 No.	31 Aug 17 No.
d. Higher paid staff		
The number of employees whose employee benefits (excluding pension costs) exceeded £60,000 were:		
In the band £60,001-£70,000	8	9
In the band £70,001-£80,000	2	2
In the band £80,001-£90,000	-	1
In the band £90,001-£100,000	1	-
	<u>11</u>	<u>12</u>

e. Key Management Personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key personnel for their services to the academy trust was £359,276 relating to 3 Members of staff (2017: £377,033, relating to 5 members of staff)

12 TRUSTEES' REMUNERATION AND EXPENSES

The Chief Executive and other staff Trustees only received remuneration in respect of services they provide undertaking the roles of Chief Executive and staff, and not in respect of their services as Trustees. Other Trustees do not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits were as follows:

P Bowditch (Chief Executive and Trustee):

Remuneration £90,000-£100,000 (2017: £85,001-£90,000)

Employer's Pension Contributions £15,001-£20,000 (2017: £10,001-£15,000)

During the period ended 31 August 2018, expenses totalling £1,660 (2017: £3,459) were reimbursed to 5 Trustees (2017: 6) During the year, no Trustees received any benefits in kind. (2016: NIL)

Two trustees Rosemary Bailey and Julian Thompson, received remuneration for work that they provided outside of their role as trustee, this was £2,863 and £2,049 respectively. Their services were required due to the high volume of growth and their expertise as school improvement advisors was called upon to perform due diligence work for the Bath school that joined the Trust in March and April 2018.

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NOTES TO THE FINANCIAL STATEMENTS
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13 CENTRAL SERVICES

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

- Leadership and Strategy
- Financial Services
- Human Resources
- Educational Support Services
- Safeguarding
- Estates and Facilities
- Governance

The Academy Trust charges for these services on the following bases:

- 5% of GAG or 3% of EYSFF funding;
- Fixed charge;
- Proportion of actual expense incurred.

	31 Aug 18 £000	31 Aug 17 £000
All Saints Church School	36	24
Nurseries (Bath and Wells Education Services Limited)	33	29
Bathampton Primary School	20	-
Batheaston Church School	21	-
Bathford Church School	18	-
Bathwick St Mary Church School	21	-
Bishops Lydeard Church School	36	38
Cheddon Fitzpaine Church School	28	29
Churchfield Church School	90	96
Court De Wyck Church School	27	28
Freshford Church School	14	-
Holy Trinity Church School	69	60
Horsington Church School	23	25
Kingshill Church School	28	31
Norton Fitzwarren Church School	46	38
Oakhill Church School	30	28
St Andrew's Church School, Bath	22	-
St Andrew's Church School, Taunton	44	44
St Georges Church School	40	42
St James Church School	68	66
St John & St Francis Church School	75	81
St John the Evangelist Church School	53	54
St Marks Ecumenical Church School	75	80
St Michaels Junior Church School	20	-
St Saviours Nursery & Infants	21	-
St Saviours Junior Church School	23	-
St Stephens Church School	34	-
St Vigor & St John Church School	19	-
Staplegrave Church School	41	40
Trinity Anglican Methodist Church School	74	75
Wembdon St George's Church School	69	3
Total	1,218	911

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14 TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

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15 TANGIBLE FIXED ASSETS – GROUP AND ACADEMY TRUST

	Long term leasehold property £000	Fixtures and fittings £000	Computer Equipment £000	Total £000
COST				
At 1 September 2017	54,041	442	362	54,845
Reclassification of Assets	-	-	-	-
Additions	898	286	146	1,330
Transfers on conversion	38,190	-	-	38,190
At 31 August 2018	93,129	728	508	94,365
DEPRECIATION				
At 1 September 2017	2,611	112	239	2,962
Reclassification of Assets	-	-	-	-
Charge for the year	1,483	66	79	1,628
At 31 August 2018	4,094	178	318	4,590
NET BOOK VALUE				
At 31 August 2018	89,035	550	190	89,775
At 31 August 2017	51,430	330	123	51,883

16 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
ACADEMY TRUST	
COST	
At 1 September 2017 and 31 August 2018	1

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NOTES TO THE FINANCIAL STATEMENTS
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17 DEBTORS

	GROUP		ACADEMY TRUST	
	2018 £000	2017 £000	2018 £000	2017 £000
Trade debtors	47	11	47	11
Amounts owed by group undertakings		-	97	-
VAT recoverable	398	256	398	256
Other debtors	23	2	23	2
Prepayments and accrued income	2,059	1,140	1,967	1,139
	2,527	1,409	2,533	1,408

18 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		ACADEMY TRUST	
	2018 £000	2017 £000	2018 £000	2017 £000
Trade creditors	533	452	533	452
Amounts owed to group undertakings		-	-	5
Other taxation and social security	453	268	453	268
Other creditors	132	25	132	25
Accruals and deferred income	2,135	1,139	2,090	1,109
	3,253	1,884	3,208	1,859

	GROUP £000	ACADEMY TRUST £000
DEFERRED INCOME		
Deferred income at 1 September 2017	512	512
Resources deferred during the year	695	676
Amounts released from previous years	(512)	(512)
Deferred income at 31 August 2018	695	676

At the balance sheet date, the Academy Trust was holding funds received in advance for UIFSM (Universal Infant Free School Meals) for the 2018/19 academic year and capital projects

19 CREDITORS: AMOUNTS FALLING DUE IN GREATER THAN ONE YEAR

	GROUP		ACADEMY TRUST	
	2018 £000	2017 £000	2018 £000	2017 £000
Other creditors within 1 and 2 years	7	3	7	3
Other creditors within 2 and 5 years	5	6	5	6
Other creditors greater than 5 years	0	2	0	2
	12	11	12	11

Other creditors in note 18 and 19 refer to the amounts for 3 loans from ESFA under the Conditions Improvement Fund. These remaining length of the loan repayments are repayable between 1 and 5 years at rates of between 1.55% and 2.34%. Additionally, 2 converting schools brought with them 4 loans from the Local Authority for energy efficiency and ICT acquisition, these are repayable in the next 2 years with an interest rate of 0.35%

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NOTES TO THE FINANCIAL STATEMENTS
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20 FINANCIAL INSTRUMENTS

Financial Assets that are debt instruments

	GROUP		ACADEMY TRUST	
	2018	2017	2018	2017
	£000	£000	£000	£000
Trade debtors	47	11	47	11
Amounts owed by group undertakings	-	-	97	0
Other debtors	23	2	23	2
Cash at bank and in hand	3,880	2,765	3,829	2,741
	3,950	2,778	3,996	2,754

21 FINANCIAL INSTRUMENTS

Financial Liabilities measured at amortised cost

	GROUP		ACADEMY TRUST	
	2018	2017	2018	2017
	£000	£000	£000	£000
Trade creditors	533	452	533	452
Amounts owed to group undertakings	-	-	-	5
Other creditors	132	25	132	25
Accruals	1,441	627	1,415	597
Loans due after more than one year	12	11	12	11
	2,118	1,115	2,092	1,090

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22 STATEMENT OF FUNDS

	Brought Forward £000	Incoming Resources £000	Resources Expended £000	Transfers in/out £000	Gains / (losses) £000	Carried Forward £000
UNRESTRICTED FUNDS						
LA Transfer on conversion	638	416	(752)	-	-	302
Voluntary and Other Unrestricted funds	22	193	(39)	(10)		166
Nursery	76	170	(136)			110
Trading	337	554	(400)			491
Assets purchased from unrestricted	7	-	(2)	10		15
	1,080	1,333	(1,329)	-		1,084
RESTRICTED FUNDS						
General Annual Grant (GAG)	350	22,760	(22,511)	(172)	-	427
Growth Funding	-	48	(48)	-	-	-
Conversion Grant	148	320	(327)	(19)	-	122
Nursery Restricted Income	(20)	988	(959)	(9)	-	-
Pupil Premium	116	1,510	(1,514)	(5)	-	107
Other Government Grants	119	1,532	(1,327)	(62)	-	262
Other LA Grants	18	763	(736)	-	-	45
DBE Grant	-	26	(26)	-	-	-
Other Restricted Income	32	689	(630)	(23)	-	68
SCA Capital Funding	259	816	(10)	(411)	-	654
Other Capital Funding	189	711	113	(619)	-	394
Annual Leave Reserve	(5)	-	(1)	-	-	(6)
Pension Reserve	(11,650)	(4,538)	(1,832)	-	2,696	(15,324)
	(10,444)	25,625	(29,808)	(1,320)	2,696	(13,251)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	48,984	38,190	(356)			86,818
Fixed assets purchased from GAG and other restricted funds	2,573	-	(1,263)	1,320		2,630
Donation from the Local Authority	319		(7)			312
	51,876	38,190	(1,626)	1,320	-	89,760
Total restricted funds	41,432	63,815	(31,434)	-	2,696	76,509
Total of funds	42,512	65,148	(32,763)	-	2,696	77,593

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NOTES TO THE FINANCIAL STATEMENTS
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STATEMENT OF FUNDS (continued)

Comparative information in respect of 2016/17:

	Brought Forward £000	Incoming Resources £000	Resources Expended £000	Transfers in/out £000	Gains / (losses) £000	Carried Forward £000
UNRESTRICTED FUNDS						
LA Transfer on conversion	285	393	(40)	-	-	638
Voluntary and Other Unrestricted funds	5	63	(46)	-	-	22
Nursery	(12)	135	(47)	-	-	76
Trading	264	339	(266)	-	-	337
Assets purchased Unrestricted	15	-	(8)	-	-	7
	557	930	(407)	-	-	1,080

RESTRICTED FUNDS						
General Annual Grant (GAG)	218	16,735	(16,489)	(114)	-	350
Growth Funding	-	107	(107)	-	-	-
Conversion Grant	138	145	(135)	-	-	148
Nursery Restricted Income	31	681	(732)	-	-	(20)
Pupil Premium	116	1,144	(1,144)	-	-	116
Other Government Grants	28	1,001	(910)	-	-	119
Other LA Grants	30	374	(386)	-	-	18
DBE Grant	-	92	(92)	-	-	-
Other Restricted Income	62	335	(365)	-	-	32
SCA Capital Funding	513	492	180	(926)	-	259
Other Capital Funding	85	214	26	(136)	-	189
Annual Leave Reserve	1	-	(6)	-	-	(5)
Pension Reserve	(10,177)	(2,491)	(788)	-	1,806	(11,650)
	(8,955)	18,829	(20,948)	(1,176)	1,806	(10,444)

RESTRICTED FIXED ASSET FUNDS	Brought Forward £000	Incoming Resources £000	Resources Expended £000	Transfers in/out £000	Gains / (losses) £000	Carried Forward £000
Fixed assets transferred on conversion	35,776	14,193	(985)	-	-	48,984
Fixed assets purchased from GAG and other restricted funds	1,551	-	(154)	1,176	-	2,573
Donation from the Local Authority	326	-	(7)	-	-	319
	37,653	14,193	(1,146)	1,176	-	51,876
Total restricted funds	28,698	33,022	(22,093)	-	1,806	41,432
Total of funds	29,255	33,952	(22,500)	-	1,806	42,512

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STATEMENT OF FUNDS (continued)

Transfers – during the year £1,320k (2017: £1,176k) was transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG and other restricted funds as indicated in the above table.

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

RESTRICTED FUNDS

General Annual Grant – Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

Growth Funding – Income awarded from the Local Authority for growing schools, to compensate in the delay in the awarding the above General Annual Grant for the increased pupil numbers.

Conversion Grants – This represents one off funding received from the ESFA to contribute to the cost of converting from a school to an academy. Sponsored schools get additional funding to support school improvement.

Nursery Restricted Income - this mainly relates to EYSFF (Early Years Single Funding Formula) income from the Local Authority which is to be used to provide early years education.

Pupil Premium – Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the academy to address the current underlying inequalities between those children and their wealthier peers.

Other Government Grants includes the following:

- Universal Infant Free School meal (UIFSM) funding to provide free school meals to all KS1 Pupils (2018:£nil; 2017: £25k).
- Rates relates to grant funding to be used to reimburse the cost of rates paid by the Academy Trust (2018 nil; 2017: £-1k)
- PE Grant Income was received from the ESFA to improve the quality of the PE and sport activities offered to pupils (2018:£104k; 2017: £46k).
- A MDIF grant of £91k was received from the ESFA to support the continued growth and development of the Trust, with a proportion of £14k relating to growth (2017: £49k), the remainder is to be utilised on school improvement activity.

Other LA Grants includes the following:

- High Needs – Funding received by the Local Authority to fund further support for students with additional needs (2018:£20k; 2017: £18k)
- Other Restricted Income – these relate to various other miscellaneous grants from third parties.

DBE Grant – relates to a grant awarded by the Diocesan Board of Finance to support growth within the trusts central team. This grant totalled £150k and was drawn down over a 3 year period, with 2017/18 being the final draw down.

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**NOTES TO THE FINANCIAL STATEMENTS
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STATEMENT OF FUNDS (continued)

Other restricted income – these relate to various other miscellaneous grants from third parties.

SCA - Capital Investment funding from the ESFA in relation to school's buildings improvement works

Other Capital Funding includes the following:

- Devolved formula capital – This represents funding from the ESFA to cover the maintenance and purchase of the academy's assets (2018:£246k;2017:£129k)
- Governors building fund – This represents funding transferred on the conversion of new schools, who were previously VA schools and had to contribute 10% towards all buildings capital work (2018: £95k;2017:£60k).
- Somerset County Council – This funding has been provided to support improvements for the expansion of Norton Fitzwarren Church school (2018:£11k;2017:£-1k)

Annual Leave Reserve – This is a fund that relates to the value of annual leave entitlement due to staff at year end. When the value is negative this indicates that cumulatively the staff have taken proportionately more leave at year end than they were due.

Pension Reserve - The pension reserve is equivalent to the Trust's share of the local government pension scheme. It is negative, meaning that the fund is in deficit. It is not unusual for the pension reserve to have a shortfall. The future employee and employer contributions into the fund will, ultimately meet this shortfall. Further information on this reserve is included in Note 27.

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion – This represents the buildings and equipment donated to the schools from the Local Authority on conversion to an academy.

Fixed assets purchased from other restricted funds – This represents fixed assets purchased from, DFC, GAG or conversion grant income.

Donation from local authority – Relates to building work carried out around conversion date that was funded and paid for by the local authority.

OTHER INFORMATION

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 2018.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018 (continued)

STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018	Total 2017
	£000	£000
BWMAT Central	(104)	59
All Saints Church School	119	111
Bathampton Primary School	66	-
Batheaston Church School	(43)	-
Bathford Church School	67	-
Bathwick Church School	96	-
Bishops Lydeard Church School	140	114
Cheddon Fitzpaine Church School	58	99
Churchfield Church School	131	108
Court De Wyck Church School	42	4
Freshford Church School	74	-
Holy Trinity Church School	98	91
Horsington Church School	70	51
Kingshill Church School	124	126
Norton Fitzwarren Church School	(108)	(60)
Oakhill Church School	113	108
St Andrews Church School, Bath	47	-
St Andrews Church School, Taunton	146	133
St Georges Church School	110	168
St James Church School	148	249
St John & St Francis Church School	121	95
St John the Evangelist Church School	166	144
St Marks Ecumenical Church School	170	157
St Michaels Church School	67	-
St Saviours Nursery & Infants Church School	16	-
St Saviours Junior Church School	22	-
St Stephens Church School	(72)	-
St Vigor & St John Church School	253	-
Staplegrove Church School	78	109
Trinity Anglican Methodist Church School	148	111
Wembdon St Georges Church School	43	48
Annual Leave Fund	(6)	(5)
SCA and other Capital Funding	742	259
Unrestricted fixed asset purchase	15	7
Total before fixed asset fund and pension reserve	3,157	2,286
Restricted Fixed Asset Reserve	89,760	51,876
Pension Reserve	(15,324)	(11,650)
Total	77,593	42,512

NOTES TO THE FINANCIAL STATEMENTS
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STATEMENT OF FUNDS (continued)

An amount of £742k, listed as SCA and other Capital Funding in the above table, relates to the recognition of SCA grant, Healthy Eating grant and a Local Authority grant that are to be spent in 2018/19; this has not been capitalised in 2017/18 so not included within the restricted fixed asset reserves. An equivalent amount of £259k was held at the end of 2016/17.

Norton Fitzwarren is carrying a net deficit balance of £108k; this is due to the year on year growth within the school, leading to full funding lagging behind pupil numbers. The school is budgeted to generate an in-year surplus in 2018/19, with a cumulative surplus balance in 2019/20.

St Stephens and Batheaston joined the Trust in March 2018, both of which joined with Deficit balances of £34k and £42k respectively. They are both carrying net deficit balances at year end of £72k and £43k respectively. During 2018/19 these school's budgets will be assessed and a financial recovery plan put in place.

The central team hold a deficit balance, this is due to recruitment being required to be able to support the growth of the Trust and will be in a cumulative surplus balance within 3 years.

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NOTES TO THE FINANCIAL STATEMENTS
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STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educ. support staff costs	Other support staff costs	Educ. supplies	Other costs excluding depreciation	Total 2018	Total 2017
	£000	£000	£000	£000	£000	£000
MAT Central	48	1,202	-	264	1,514	914
Bath and Wells Education Services Ltd	966	301	72	176	1,515	1,054
All Saints Church School	579	88	31	119	817	481
Bathampton Primary School	278	58	30	86	452	-
Batheaston Church School	340	61	10	93	504	-
Bathford Church School	241	29	21	68	359	-
Bathwick St Mary Church School	298	47	27	114	486	-
Bishops Lydeard Church School	546	73	37	114	770	805
Cheddon Fitzpaine Church School	458	60	41	119	678	581
Churchfield Church School	1,508	230	121	243	2,102	2,084
Court De Wyck Church School	357	60	41	110	568	585
Freshford Church School	155	31	14	74	274	-
Holy Trinity Church School	1,053	127	60	251	1,491	1,239
Horsington Church School	362	43	26	73	504	509
Kingshill Church School	456	68	22	122	668	661
Norton Fitzwarren Church School	695	71	71	169	1006	905
Oakhill Church School	393	50	24	90	557	564
St Andrews Church School, Bath	353	47	32	113	545	-
St Andrew's Church School, Taunton	685	92	51	143	971	961
St Georges Church School	588	119	96	152	955	962
St James Church School	1,155	185	96	135	1,571	1,488
St John & St Francis Church School	1,119	217	68	276	1680	1,559
St John the Evangelist Church School	807	83	50	215	1,155	1,143
St Marks Ecumenical Church School	1,112	137	72	262	1,583	1,579
St Michaels Junior Church School	304	55	47	75	481	-
St Saviours Nursery & Infants Church School	282	45	22	89	438	-
St Saviours Junior Church School	331	41	26	77	475	-
St Stephens Church School	522	76	36	140	774	-
St Vigor & St John Church School	239	25	17	73	354	-
Staplegrave Church School	532	70	122	167	891	841
Trinity Anglican Methodist Church School	1,120	157	62	245	1,584	1,625
Wembdon St George's Church School	1,172	184	66	159	1,581	19
Pension costs	1,282	550	-	-	1,832	788
	20,336	4,682	1,511	4,605	31,135	21,347

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NOTES TO THE FINANCIAL STATEMENTS
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STATEMENT OF FUNDS (continued)

23 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	15	-	89,760	89,775
Current assets	1,069	5,338	-	6,407
Creditors due within one year	-	(3,253)	-	(3,253)
Creditors due in greater than one year	-	(12)	-	(12)
Pension Scheme liability	-	(15,324)	-	(15,324)
Total net assets	1,084	(13,251)	89,760	77,593

Comparative information in respect of 2016/17:

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	7	-	51,876	51,883
Current assets	1,073	3,101	-	4,174
Creditors due within one year	-	(1,884)	-	(1,884)
Creditors due in greater than one year	-	(11)	-	(11)
Pension Scheme liability	-	(11,650)	-	(11,650)
Total net assets	1,080	(10,444)	51,876	42,512

24 CAPITAL COMMITMENTS

	2018 £000	2017 £000
Contracted for, but not provided in the financial statements	311	-

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25 RECONCILIATION OF NET INCOME / (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018	2017
	£000	£000
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	32,385	11,451
Adjusted for:		
Depreciation of tangible fixed assets (note 16)	1,628	1,154
Capital grants from DfE and other capital income	(1,558)	(706)
Capital Assets transferred on conversion	(38,190)	(14,193)
Interest receivable (note 4)	(6)	(6)
Surplus revenue balances transferred on conversion	(417)	(393)
Defined benefit pension scheme obligation inherited	4,538	2,491
Defined benefit pension scheme curtailments/settlements & Admin expenses	15	12
Defined benefit pension scheme cost less contributions payable (note 27)	1,465	515
Defined benefit pension scheme finance cost (note 27)	352	261
Increase in debtors	(395)	114
Increase in creditors	280	359
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	97	1,059

26 CASH FLOWS FROM INVESTING ACTIVITIES

	2018	2017
	£000	£000
Interest received	6	6
Purchase of tangible fixed assets	(754)	(1,176)
Capital Grants from DfE	892	396
Capital Funding received from Sponsors and others	236	-
ESFA and inherited Local Authority loans	(9)	-
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	370	(774)

27 ANALYSIS OF CASH AND CASH EQUIVALENTS

	31 Aug 18	31 Aug 17
	£000	£000
Cash at bank and in hand	3,880	2,765
Debt		
Debt due within one year	(22)	(13)
Debts falling due after more than one year	(12)	(11)
NET FUNDS	3,846	2,741

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018 (continued)

28 PENSION COMMITMENTS

The group's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, through the Somerset Pension Scheme (managed by Somerset County Council) and Avon Pension Fund (managed by Bath & North East Somerset Council). Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. 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.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- 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

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PENSION COMMITMENTS (continued)

- 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%

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

The employer pension costs paid to TPS in the period amounted to £1,816,961 (2017: £1,294,911). 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.

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 2018 was £1,604,954 (2017: £1,233,135), of which employer's contributions totalled £1,242,159 (2017: £971,225) and employees' contributions totalled £362,796 (2017: £261,931). The agreed contribution rates for future years are 14.7% – 20.9%, plus agreed lump sum catch up payments for employers and 5.5% to 12.5% 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 of Education. The guarantee came into force on 18 July 2013.

As described in note 28 the LGPS obligation relates to employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

Principal actuarial assumptions – Somerset County Council Pension Fund

	At 31 Aug 18	At 31 Aug 17
Rate of increase in salaries	3.80%	4.20%
Rate of increase for pensions in payment/inflation	2.30%	2.70%
Discount rate for scheme liabilities	2.65%	2.60%
Inflation assumption (CPI)	2.30%	2.70%
Commutation of pensions to lump sums	50%	50%

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NOTES TO THE FINANCIAL STATEMENTS
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PENSION COMMITMENTS (continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement age 65 are:

	At 31 Aug 18	At 31 Aug 17
Retiring today		
Males	24 years	23.9 years
Females	25.2 years	25.1 years
Retiring in 20 years		
Males	26.3 years	26.2 years
Females	27.5 years	27.4 years

Sensitivity Analysis

	At 31 August 2018		At 31 August 2017	
	Present Value of Obligation	Projected Service Cost	Present Value of Obligation	Projected Service Cost
	£,000	£,000	£,000	£,000
Central – as reported	15,862	1,476	13,765	1,348
Discount Rate + 0.1%	15,463	1,438	13,419	1,313
Discount Rate - 0.1%	16,272	1,515	14,121	1,384
Long Term Salary Inc. Rate + 0.1%	15,919	1,476	13,833	1,348
Long Term Salary Inc. Rate - 0.1%	15,805	1,476	13,698	1,348
Pension Inc & Deferred Reval +0.1%	16,215	1,515	14,053	1,384
Pension Inc & Deferred Reval - 0.1%	15,518	1,438	13,485	1,313
Life Expectancy assumption + 1 year	16,378	1,523	14,215	1,391
Life Expectancy assumption - 1 year	15,362	1,430	13,329	1,306

Principal actuarial assumptions – Avon Pension Fund

	At 31 Aug 18	At 31 Aug 17
Rate of increase in salaries	3.60%	3.70%
Rate of increase for pensions in payment/inflation	2.20%	2.20%
Discount rate for scheme liabilities	2.80%	2.50%
Inflation assumption (CPI)	2.10%	2.20%
Commutation of pensions to lump sums	50%	50%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018 (continued)

PENSION COMMITMENTS (continued)

The assumed life expectations on retirement age 65 are:

	At 31 Aug 18	At 31 Aug 17
Retiring today		
Males	23.6 years	23.5 years
Females	26.1 years	26 years
Retiring in 20 years		
Males	26.2 years	26 years
Females	28.8 years	28.7 years

Sensitivity Analysis

	At 31 August 2018		At 31 August 2017	
	Present Value of Obligation	Projected Service Cost	Present Value of Obligation	Projected Service Cost
	£,000	£,000	£,000	£,000
Central – as reported	9,896	1,047	4,913	490
Discount Rate +0.1%	9,683	1,017	4,797	475
Inflation Rate +0.1%	10,115	1,077	5,028	504
Pay Growth +0.1%	9,961	1,047	4,943	490
Life Expectancy assumption + 1 year	10,065	1,068	4,996	497

The academy trusts' share of the assets in the schemes were:

	Fair Value 31 Aug 18 £000	Fair Value 31 Aug 17 £000
Equities	6,509	4,670
Gilts	750	474
Other Bonds	1,042	664
Property	940	630
Cash	467	294
Other	726	296
Total market value of assets	10,434	7,028

The actual return on scheme assets was £386,000 (2017 : £666,000)

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PENSION COMMITMENTS (continued)

Amount recognised in the Statement of financial activities are as follows:

	31 Aug 18 £000	31 Aug 17 £000
Service Cost	3,944	2,933
Net Interest on defined liability	409	263
Admin expenses	20	12
Total pension cost recognised in net income	4,373	3,208

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

	31 Aug 18 £000	31 Aug 17 £000
Opening defined benefit obligation at 1 September	18,678	14,217
Upon conversion	6,253	2,941
Current service cost	2,493	2,021
Interest cost	577	377
Contributions by scheme participants	359	267
Actuarial (gain) /loss	(2,536)	(1,148)
Benefits paid	(66)	3
Closing defined benefit obligation at 31 August	25,758	18,678

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

	31 Aug 18 £000	31 Aug 17 £000
Opening fair value of scheme assets at 1 September	7,028	4,040
Upon conversion	1,715	450
Interest Income	225	116
Return on plan assets (excluding net interest on the net defined pension liability)	160	601
Actuarial gain and (loss)	-	57
Contributions by employer	1028	1,506
Contributions by employees	359	267
Benefits paid	(66)	3
Plan introductions, benefit changes, curtailments and settlements, admin costs	(15)	(12)
Closing fair value of scheme assets	10,434	7,028

Summary

	31 Aug 18 £000	31 Aug 17 £000
Closing defined benefit obligation	(25,758)	(18,678)
Closing fair value of scheme assets	10,434	7,028
Deficit at end of year	(15,324)	(11,650)

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29 CONVERSION TO AN ACADEMY TRUST

During the year ended 31 August 2018, 12 schools converted to academy status under the Academies Act 2010 and joined the Trust;

New School Name	Date of Joining	Local Authority
Wembdon St Georges Church School	01/09/2017	Somerset County Council
Bathampton Primary School	01/03/2018	Bath & North East Somerset
Batheaston Church School	01/03/2018	Bath & North East Somerset
Bathwick St Mary Church School	01/03/2018	Bath & North East Somerset
St Andrews Church School	01/03/2018	Bath & North East Somerset
St Saviours Infant Church School	01/03/2018	Bath & North East Somerset
St Saviours Junior Church School	01/03/2018	Bath & North East Somerset
St Stephens Church School	01/03/2018	Bath & North East Somerset
St Vigor & St John Church School	01/04/2018	Somerset County Council
Bathford Church School	01/04/2018	Bath & North East Somerset
Freshford Church School	01/04/2018	Bath & North East Somerset
St Michaels Church School	01/04/2018	Bath & North East Somerset

All the operations and assets and liabilities were transferred to The Bath & Wells Diocesan Academies Trust from the 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 net gain in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

The following tables set out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities

Wembdon St Georges Church School

	Unrestricted Funds	Restricted Funds	Restricted fixed asset funds	Total Funds
	£000	£000	£000	£000
Tangible Fixed Assets				
- Leasehold land and buildings	-	-	4,810	4,810
Budget surplus / (deficit) on LA Funds	5	-	-	5
LGPS pension surplus /(deficit)	-	(135)	-	(135)
Net assets / (liabilities)	5	(135)	4,810	4,680

The above net assets include £5,319 that was transferred as cash.

The pension deficit was transferred from the Somerset Pension Scheme (Peninsula Pension) on conversion.

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CONVERSION TO AN ACADEMY TRUST (continued)

Bathampton Primary School

	Unrestricted Funds	Restricted Funds	Restricted fixed asset funds	Total Funds
	£000	£000	£000	£000
Tangible Fixed Assets				
- Leasehold land and buildings	-	-	2,269	2,269
Budget surplus / (deficit) on LA Funds	58	6	-	64
LGPS pension surplus /(deficit)	-	(176)	-	(176)
Net assets / (liabilities)	58	(170)	2,269	2,157

The above net assets include £111,517 that was transferred as cash.

The pension deficit was transferred from Avon Pension Fund on conversion

Batheaston Church School

	Unrestricted Funds	Restricted Funds	Restricted fixed asset funds	Total Funds
	£000	£000	£000	£000
Tangible Fixed Assets				
- Leasehold land and buildings	-	-	3,000	3,000
Budget surplus / (deficit) on LA Funds	(42)	-	-	(34)
LGPS pension surplus /(deficit)	-	(287)	-	(287)
Net assets / (liabilities)	(42)	(287)	3,000	2,671

The above net assets include £7,931 that was transferred as cash.

The pension deficit was transferred from Avon Pension Fund on conversion

Bathwick St Mary Church School

	Unrestricted Funds	Restricted Funds	Restricted fixed asset funds	Total Funds
	£000	£000	£000	£000
Tangible Fixed Assets				
- Leasehold land and buildings	-	-	2,465	2,465
Budget surplus / (deficit) on LA Funds	35	-	-	35
LGPS pension surplus /(deficit)	-	(173)	-	(173)
Net assets / (liabilities)	35	(173)	2,465	2,327

The above net assets include £70,885 that was transferred as cash.

The pension deficit was transferred from Avon Pension Fund on conversion.

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CONVERSION TO AN ACADEMY TRUST (continued)

St Andrew's Church School

	Unrestricted Funds	Restricted Funds	Restricted fixed asset funds	Total Funds
	£000	£000	£000	£000
Tangible Fixed Assets				
- Leasehold land and buildings	-	-	3,501	3,501
Budget surplus / (deficit) on LA Funds	46	-	-	46
LGPS pension surplus /(deficit)	-	(277)	-	(277)
Net assets / (liabilities)	46	(277)	3,501	3,270

The above net assets include £75,380 that was transferred as cash.

The pension deficit was transferred from Avon Pension Fund on conversion.

St Saviour's Infants Church School

	Unrestricted Funds	Restricted Funds	Restricted fixed asset funds	Total Funds
	£000	£000	£000	£000
Tangible Fixed Assets				
- Leasehold land and buildings	-	-	2,452	2,452
Budget surplus / (deficit) on LA Funds	(18)	17	-	(1)
LGPS pension surplus /(deficit)	-	(238)	-	(238)
Net assets / (liabilities)	(18)	(221)	2,452	2,213

The above net assets include £30,261 that was transferred as cash.

The pension deficit was transferred from Avon Pension Fund on conversion.

St Saviour's Juniors Church School

	Unrestricted Funds	Restricted Funds	Restricted fixed asset funds	Total Funds
	£000	£000	£000	£000
Tangible Fixed Assets				
- Leasehold land and buildings	-	-	3,909	3,909
Budget surplus / (deficit) on LA Funds	21	5	-	26
LGPS pension surplus /(deficit)	-	(108)	-	(108)
Net assets / (liabilities)	21	(103)	3,909	3,827

The above net assets include £57,242 that was transferred as cash.

The pension deficit was transferred from Avon Pension Fund on conversion.

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CONVERSION TO AN ACADEMY TRUST (continued)

St Stephen's Church School

	Unrestricted Funds	Restricted Funds	Restricted fixed asset funds	Total Funds
	£000	£000	£000	£000
Tangible Fixed Assets				
- Leasehold land and buildings	-	-	4,927	4,927
Budget surplus / (deficit) on LA Funds	(34)	-	-	(34)
LGPS pension surplus /(deficit)	-	(294)	-	(294)
Net assets / (liabilities)	(34)	(294)	4,927	4,599

The above net assets include £30,349 that was transferred as cash.

The pension deficit was transferred from Avon Pension Fund on conversion.

Bathford Church School

	Unrestricted Funds	Restricted Funds	Restricted fixed asset funds	Total Funds
	£000	£000	£000	£000
Tangible Fixed Assets				
- Leasehold land and buildings	-	-	2,987	2,987
Budget surplus / (deficit) on LA Funds	15	21	-	36
LGPS pension surplus /(deficit)	-	(150)	-	(150)
Net assets / (liabilities)	15	(129)	2,987	2,873

The above net assets include £70,942 that was transferred as cash.

The pension deficit was transferred from Avon Pension Fund on conversion.

Freshford Church School

	Unrestricted Funds	Restricted Funds	Restricted fixed asset funds	Total Funds
	£000	£000	£000	£000
Tangible Fixed Assets				
- Leasehold land and buildings	-	-	1,771	1,771
Budget surplus / (deficit) on LA Funds	60	17	-	77
LGPS pension surplus /(deficit)	-	(80)	-	(80)
Net assets / (liabilities)	60	(63)	1,771	1,768

The above net assets include £69,394 that was transferred as cash.

The pension deficit was transferred from Avon Pension Fund on conversion.

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CONVERSION TO AN ACADEMY TRUST (continued)

St Michael's Church School

	Unrestricted Funds	Restricted Funds	Restricted fixed asset funds	Total Funds
	£000	£000	£000	£000
Tangible Fixed Assets				
- Leasehold land and buildings	-	-	3,235	3,235
Budget surplus / (deficit) on LA Funds	54	7	-	61
LGPS pension surplus /(deficit)	-	(182)	-	(182)
Net assets / (liabilities)	54	(175)	3,235	3,114

The above net assets include £108,392 that was transferred as cash.

The pension deficit was transferred from Avon Pension Fund on conversion.

St Vigor & St John Church School

	Unrestricted Funds	Restricted Funds	Restricted fixed asset funds	Total Funds
	£000	£000	£000	£000
Tangible Fixed Assets				
- Leasehold land and buildings	-	-	2,865	2,865
Budget surplus / (deficit) on LA Funds	217	-	-	217
LGPS pension surplus /(deficit)	-	(96)	-	(96)
Net assets / (liabilities)	217	(96)	2,865	2,986

The above net assets include £216,638 that was transferred as cash in September 2018.

The pension deficit was transferred from Somerset Pension Fund on conversion.

30 OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the group's future minimum lease payments under non-cancellable operating leases was:

	2018 £000	2017 £000
GROUP AND ACADEMY TRUST		
Amount due within one year	40	43
Amounts due between one and five years	38	56
	<u>78</u>	<u>99</u>

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31 RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

During the year the Academy Trust was recharged £97,040 (2017: £62,848) by The Diocese of Bath and Wells, an entity with common ultimate control, for the cost of office overheads. At the year-end a nil balance (2017: £17,907) was due to the Diocese of Bath and Wells

The Bath and Wells DBE has awarded a grant of £150,000, on a drawdown basis, to support the expansion of the Academy Trust. This grant has now been drawn down in full as follows; £25,631 has been reclaimed in 2017/18; £91,884 in 2016/17 and £32,485 in 2015/16.

The Academy Trust is taking advantage of the FRS102 section 33 exemption to not disclose transactions with its trading subsidiary.

32 MEMBERS LIABILITY

Each member of the charitable company, and the group, undertakes to contribute to the assets of the Company in the event of it being wound up while they are 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 they cease to be a member.

33 CONTROLLING PARTY

The controlling party is The Bath and Wells DBE Trust by virtue of holding the ability to appoint the majority of the members. The Bishop of Bath and Wells ultimately has the ability to appoint the majority of members on Diocesan entities, including the Bath and Wells DBE Trust, so therefore is deemed to be the ultimate controlling party.

34 PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
Bath and Wells Education Services Limited	England and Wales	100%	Provision of nursery services, running of breakfast clubs and letting of facilities

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35 GENERAL INFORMATION

The Bath and Wells Diocesan Academies Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is The Old Deanery, St Andrews Street, Wells, Somerset BA5 2UG