

The Bishop Wheeler Catholic Academy Trust

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 August 2016

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Caroline Hyde Bishop Marcus Stock Rev Timothy Swinglehurst
Principal Finance Officer	Gillian Osborne
Accounting Officer	Darren Beardsley (Member of Audit and Finance Committee)
Company Secretary	Anne Tindall

Directors	Christian Name	Surname	Trust Membership	Committee Membership
Principal	Alison	Ashworth	12.02.2013	
Principal	Darren	Beardsley	01.09.2014	Accounting Officer
Parent	Keiran	Bentham	12.02.2013	
Staff	Bernadette	Boswell	12.02.2013 – 31.10.2016	
Parent	Marie	Buxton	26.11.2014	
Foundation	Edward	Diamond	06.05.2013	Chair, Audit Committee
Foundation	Diane	Gaskin	12.02.2013	Chair, Finance Committee, Vice Chair of Trust
Foundation	Lawrence	Hogan	06.05.2013	Finance Committee
Principal	Peter	Hughes	12.02.2013	Finance Committee
Foun/Chair	Caroline	Hyde	12.02.2013	Chair of Trust Audit and Finance Committees
Foundation	Robert	Lavery	12.02.2013	
Principal	Alixena	Lubomski	12.02.2013	
Foundation	Joseph	McDonnell	12.02.2013	
Foundation	Elizabeth	McGuire	21.10.2014	
Staff	Philippa	Monaghan	12.02.2013- 08.03.2016	
Foundation	Mgr Paul	Owens	25.09.2013- 22.07.2016	Vice Chair of Trust
Foundation	Paul	Reed	12.02.2013- 22.07.2016	
Foundation	Diane	Sanderson	06.05.2013- 02.09.2015	Finance Committee
Foundation	John	Carlisle	26.09.2016	
2 Foundation and 2 Staff Director vacancies				

REFERENCE AND ADMINISTRATIVE DETAILS

Senior Management Team:

- | | |
|---|---|
| <ul style="list-style-type: none"> Principals | Darren Beardlsley
Alison Ashworth
Peter Hughes
Diane Todd
Cecilia Knight
Alixena Lubomski
Anthony Pye |
| <ul style="list-style-type: none"> Business Director | Gillian Osborne |
| <ul style="list-style-type: none"> Group Accountant | Katie Campbell |
| <ul style="list-style-type: none"> HR Manager | Amanda Whelan |

Principal and Registered Office

St Mary's Catholic Voluntary Academy
 The Bishop Wheeler Catholic Academy Trust
 Bradford Road
 Menston
 LS29 6AE

Company Registration Number

8399801

Independent Auditor

Saffery Champness
 North Park Road
 Harrogate HG1 5RX

Bankers

Lloyds TSB Bank
 25 Gresham Street
 London EC2V 7HN

Solicitors

Schofield Sweeney
 76 Wellington Street
 Leeds LS1 2AY

DIRECTORS' REPORT

Personal perspective from the Chair, Caroline Hyde

As we approach our 4th birthday, I want to reflect on what we have achieved as a Catholic Multi Academy Trust. We have developed from a group of a few schools who wanted to take the opportunity of academy status to develop excellent education within our area of North West Leeds, Bradford and North Yorkshire. We had a vision of all the schools working together for the benefit of pupils, staff, families and Parishes and a mind-set of 'our schools' rather than 'my school' which allows every child to develop their talents academically, artistically, spiritually and emotionally to the full.

The original group of 5 primaries and 1 high school has grown to include 4 more primaries: St Joseph's, Harrogate and St Mary's, Knaresborough, who wanted to work with the group, developing new models of school to school support and planning. We were also asked to sponsor 2 further schools, who were our geographic neighbours; Holy Name and St Stephen's, to go from strength to strength. One of the obvious lessons of collaboration and open working is that we all have so much to learn from each other. All staff that have been involved in supporting another school reflect that they have learnt from those they have reached out to help. All our schools are now judged outstanding or good by Ofsted and s48 inspection, or have now been assessed as such by vigorous peer review.

As the size of our Trust has increased we have established a business support function that plays to the strengths of our staff, allowing development as well as more efficient ways of working. Our central finance and HR team work alongside individual school senior managers and school leadership teams developing policies and processes as well as bespoke advice to maintain our focus on gaining best value from our resources and to offer the very best to our young people.

Our Trust schools remain highly popular and in many cases oversubscribed. We have worked with the Diocese of Leeds and Local Authority in order to increase the number of places available at both St Joseph's, Pudsey and St Mary's, Menston, securing Catholic education for our families in the future. This has been supported by significant building expansion at St Joseph's. The growth of the number of schools and pupils within the Trust made us eligible for the EFA Condition Improvement Fund capital grant allocated to MATs with more than 3,000 pupils. This has allowed us to improve facilities leading to better provision and more pupils for St Stephens, better catering provision at Sacred Heart, Ilkley and St Mary's, Menston and facilities for disabled pupils at St Joseph's, Otley.

It was our pleasure to demonstrate our model of school to school support, which is enabled through the work of our Teaching Schools, when we welcomed Vicky Beer from the Department for Education to visit St Mary's, Horsforth. We have established new governance systems, using governors' specialist skills at both individual school and Trust level, to monitor and review standards, distribute capital monies and review working practices. Staff have developed subject, specialist and year group networks allowing innovative teaching, sharing of resources and cross-school support.

Executive Headship has been adopted in two sets of schools, allowing challenging career progression for Catholic senior leaders and, with the appointment of Heads of School, a route to help the leaders of the future make the transition from classroom teacher and middle management. As these roles develop within the schools, we are able to look at better approaches to training and governance and sharpen the focus on getting the very best for all our pupils within limited resources.

In my opinion, the greatest success of our Trust to date is the open and reflective way that our staff and governors work together, with a shared vision that reflects our ethos in not only what we want to achieve for our young people, but in how we treat each other. The driving force of this has been, and remains, the Head Teacher Group, who are an excellent model of collaborative working. Our inaugural Trust Conference highlighted the need to improve communication with all governors in a similar way to staff. Making the most of

DIRECTORS' REPORT

the tremendous talent, experience and enthusiasm of all our governors, developing better ways of working, supporting and growing new ideas together based on our vision and ethos is an exciting development.

As we look to the future, we hope to welcome other schools within our area to join us and develop new ways of working together with our fellow CMATs and the wider schools' community. Our greatest challenge is to offer the excellent Catholic education which is our vision within reducing funding and rising costs.

I am extremely grateful to all who support the Trust; staff, parents and the wider community and particularly all the governors who as volunteers, giving so generously of their time and skills. There is no better way to see our vision in action than through the amazing young people who make up our schools and I consider it a great privilege to be a small part of the Bishop Wheeler Trust.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association dated 13 February 2013 are the primary governing documents of the Academy Trust. The Directors of The Bishop Wheeler Catholic Academy Trust are also the Directors of the charitable company for the purposes of company law. The charitable company is known as The Bishop Wheeler Catholic Academy Trust.

The Bishop Wheeler Catholic Academy Trust is made up of ten academies:

St. Mary's Menston, a Catholic Voluntary Academy
St. Joseph's Catholic Primary School Otley, a Voluntary Academy
Ss. Peter and Paul Catholic Primary School, a Voluntary Academy
Sacred Heart Catholic Primary School, a Voluntary Academy
St. Mary's Horsforth Catholic Voluntary Academy
St. Joseph's Catholic Primary School Pudsey, a Voluntary Academy
St Mary's Catholic Primary School Knaresborough, a Voluntary Academy
St Joseph's Catholic Primary School Harrogate, a Voluntary Academy
Holy Name Catholic Voluntary Academy, Cookridge
St. Stephen's Catholic Primary School and Nursery, a Voluntary Academy Skipton

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, as required in the Trust's Funding Agreement/Articles of Association, for the debts and liabilities contracted before they ceased to be a member.

Directors' indemnities

Indemnity for the claims made against the Directors of the Academy Trust as a result of undertaking everyday authorised activities on behalf of the Academy Trust is in place at a level of £5,000,000 and is reviewed annually as part of the whole Trust review of insurances.

Method of recruitment and appointment or election of Directors

- Foundation Directors (10): appointed by the Diocesan Bishop, following an application process throughout the Diocese and in particular within the Parishes which are served by the Academies within the Trust. Directors are selected in order to provide a broad range of skills and experience and be supportive of

DIRECTORS' REPORT

Catholic education within the Diocese. They must all be practising Catholics. The Foundation Directors shall always be two more than the total number of other Directors.

- Parent Directors (2): elected by and from all the parent governors serving on all the Academy Councils, of all the Academies of the Trust, at the time of their election. There shall always be 2 Parent Directors for every 10 or fewer Academies.
- Principal Directors (4): elected by and from all the Principals of all the Academies within the Trust at the time of election. There shall always be at least one principal from a Secondary and one from a Primary Academy. Any Executive Principal shall be a Director as long as s/he remains in office.
- Staff Directors (2): elected by and from all the staff governors serving on all the Academy Councils of all the Academies of the Trust, at the time of their election. However, the Trust Board, now established, will determine the criteria for the election of future Staff Directors, as outlined in the Articles of Association.

The term of office for any Director is 4 years and, subject to remaining eligible as outlined above, Directors may be reappointed. Upon the resignation of any Director a replacement will be appointed or elected as outlined above.

Policies and procedures adopted for the induction and training of Directors

All Directors have access to, and are taking advantage of, training provided by both the Diocesan Education Office and Leeds and Bradford LAs. Directors are sharing experience and skills as a group and individually where appropriate. The Diocesan Director of Education provides advice and support. A targeted training programme and induction scheme is in place.

Organisational structure

The Trust Board is responsible for the strategic direction of the Trust and has overall responsibility for standards, finance and estates. The Trust has a Finance and Audit Committee to support this role, who normally meet jointly, but separately where appropriate. Sub committees for Standards and the consideration of Leadership Pay are also in place. The Trust is also the Admissions Authority and employer for all the Academies within the Trust. The executive leadership and direction is via the Headteachers' Group, which consists of all the Headteachers from all the Academies within the Trust. The Headteachers' Group meets every half term.

The Accounting Officer is the Headteacher of the secondary school.

The Trust is based upon the principle of subsidiarity, with decision making delegated to the most appropriate level. Each Academy has an Academy Council consisting of foundation, parent and staff governors. The organisation of the Academy Councils and their relationship with the Trust Board are outlined in the "Scheme of Delegation". Each Academy Council has agreed and signed the scheme of delegation.

There is a shared central function for business management, finance and HR. All appointments, except Head and Deputy Headteachers, are made locally, with support from the central Trust office. Admissions policies and numbers are set by the Diocese in conjunction with the Trust, but administered locally. We are in the process of aligning all statutory policies throughout the Trust, in line with the Catholic Education Service.

Arrangements for setting pay and remuneration of key management personnel

During the year, the Trust established a Pay Committee. The Trust Board is responsible for the appointment of Headteachers and Deputy Headteachers. Leadership pay and ISR ranges in the individual academies is established by the Trust, through the Pay Committee. This ensures consistency across the Trust. An appendix to the Trust's Pay Policy, 'Leadership Pay', was tabled and agreed in principle, to be approved as part of the main Pay Policy in 2016-17, following the update of Teacher's Pay and Conditions document.

DIRECTORS' REPORT

Connected organisations including related party relationships

The Bishop Wheeler Catholic Academy Trust, as laid out in the Articles of Association, complies with the Diocese of Leeds practices, 'upholding the tenets of the Catholic Church and all Catholic canon law applying including any trust deed governing the use of land used by an Academy both generally and in particular in relation to arranging for religious education and daily acts of worship and having regard to any advice and following directives issued by the Diocesan Bishop'. The Trust works closely with both the Diocesan Education Office and all Catholic schools and Academies within the Diocese. Each individual Academy within the Trust also works closely with our neighbouring schools and communities as well as with our 3 local Authorities: Leeds, Bradford and North Yorkshire.

Disability statement

The Trust considers all applications for employment from disabled persons, bearing in mind the aptitudes of the individuals concerned. The Catholic Education Service application form is used by all individual Academies and complies with the Equality Act 2010. A 'reasonable adjustment' statement is included in application packs. Where an existing employee becomes disabled, every effort is made to facilitate the continuance of their employment with the Trust. The Trust's policy is to provide training, career development and opportunities for promotion for employees with disabilities that are, as far as possible, identical to those for other employees. Each individual academy has an accessibility policy and plan.

Employee consultation/communication

The Trust has a regular system of staff briefings and internal communications via email, there are also meetings which include trade unions, HR and senior management teams to discuss employee consultation.

OBJECTIVES AND ACTIVITIES

Objectives, strategies and activities - from the Trust Development Plan:

Objective	Progress / outcomes during the year
Excellence of curriculum provision: all Trust schools making good/outstanding progress	<ul style="list-style-type: none"> • Heads meet every half term to look at curriculum provision and share practice • Curriculum to be discussed as part of school reviews • Standards Committee established to ensure appropriate scrutiny and challenge
Excellent Catholic schools: all Trust schools judged good / outstanding by s48 inspection / Diocesan Review	<ul style="list-style-type: none"> • Ongoing school to school support; internal standards reviews to ensure standards remain good / outstanding and no school falls 'below the radar'
School to school support: within our Trust schools, other Catholic schools and our wider community	<ul style="list-style-type: none"> • Teaching School is an ongoing development, identifying and training key staff • Work is taking place to support other schools • Sponsorship status has been attained, enabling the Trust to be in a position to support failing schools and supporting schools through the process of conversion
Sustainable finance structure: to support all schools and the Trust as a whole	<ul style="list-style-type: none"> • Structure accommodates increased membership of the Trust including integration of central services - HR, property, finance • Review in progress to evaluate and challenge effectiveness of original Trust set up considering immediate key strategic issues

DIRECTORS' REPORT

Work towards best value in all expenditure, whilst maintaining our ethos and principle of subsidiarity	<ul style="list-style-type: none"> • Good progress this year – change of payroll provider and auditor providing cost savings and improved services • Best value is a key on-going focus
Excellent HR / legal provision	<ul style="list-style-type: none"> • Provision reviewed after 12 months in April 2016: very good service and working relationships • No litigation claims
Improve buildings, facilities and capacity	<ul style="list-style-type: none"> • Condition Improvement Fund (CIF) grant received. Capital Bids Panel established and funding allocated to support priorities across the Trust
Succession planning for staff, teachers, governors, directors and leaders	<ul style="list-style-type: none"> • Trust Conference took place in February 2016 informing actions to improve communication and governance structures • School to School Reviews taking place across all Key Stages and Subjects • Training plan for aspiring leaders in place • Executive Heads have been developed • Robust appraisal system for teachers in place
Develop the process and capacity to welcome other schools within our area to join the Trust	<ul style="list-style-type: none"> • The current 10 schools are well established and the process for additional expansion is in place
Catholic ethos and spirituality	<ul style="list-style-type: none"> • There is a very clear ethos and focus between all the schools of The Trust with Trust Masses and collective worship taking place • Heads feedback progress on action plan from S48 inspection

Public benefit

The Academy Trust's Directors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission (on their website at Charities and Public Benefit) in exercising their power or duties.

DIRECTORS' REPORT

STRATEGIC REPORT

Achievements and Performance

Academy	Ofsted outcome	Section 48 outcome
St Mary's, Menston Catholic Voluntary Academy	Outstanding November 2014	Outstanding March 2014
St. Joseph's Catholic Primary School, Otley	Good November 2014	Outstanding June 2014
Ss Peter and Paul Catholic Primary School	Outstanding January 2015	Outstanding March 2015
Sacred Heart Catholic Primary School Ilkley	Outstanding February 2007	Good March 2013
St Mary's Horsforth Catholic Voluntary Academy	Outstanding March 2013	Outstanding March 2013
St. Joseph's Catholic Primary School Pudsey	Good December 2014	Good March 2014
St Mary's Catholic Primary School Knaresborough	Good March 2012	Good March 2012
St Joseph's Catholic Primary School Harrogate	Outstanding November 2009	Outstanding May 2015
Holy Name Catholic Voluntary Academy, Cookridge	Academy Converter	Good July 2015
St. Stephen's Catholic Primary School, Skipton	Academy Converter	Outstanding October 2012

Key performance indicators

Headline data for the year is shared with the Trust Standards Committee with more detailed analysis shared at each schools Academy Councils, with the Trust establishing a consistent format across the schools for the presentation of data.

Nationally this has been a challenging year for all schools in the world of primary assessment and performance data. The dropping of the reception baseline assessment, the inadvertent publication of tests online, the multitude of changes to the interim assessment framework and the setting of expected standards at levels which put the vast majority of schools below the attainment element of the floor standard have made for a frustrating year for teachers and senior leaders. There has been a huge variation in results, particularly at KS2 across the schools in Leeds, Bradford, North Yorkshire and nationally. There has always been variation in results, but

DIRECTORS' REPORT

nothing on the scale of this year, when we have seen for example, the proportion of pupils reaching the expected standard in the reading test vary by up to 70 percentage points in schools with very similar intakes.

The BWCAT schools have worked closely together to moderate standards and have used all used a common 'Assessing Pupil Progress Handbook' and assessment monitoring systems to record and track attainment and achievement data. Across the schools a variety of assessment test were trailed with some bench-marking work carried out. For the coming year (2016/17) all schools will use the same assessment tests and results will be shared and analysed at the mid and end points of the year to enable bench-marking and to share good practice to move all schools forward positively. Additionally our data will be able to be compared to other schools nationally using the same assessment suite of tests.

We are pleased to report that all of our nine primary schools are performing in-line/above national floor standards at KS2 for reading, writing and mathematics for progress measures and therefore all achieved floor standard or better. All schools were in line or higher than national for the combined RWM attainment score (95%) although some did not achieve 65% set as the attainment floor target - nationally only 52% of schools did.

The high school demonstrated exceptional performance at GCSE in English, with 91% of students achieving 3 levels of progress against the national average of 69%, and 57% achieving 4 levels of progress against the national average of 30%. Mathematics also performed well above national expectations at GCSE with 80% achieving 3 levels of progress (national average 66%), and 39% achieving 4 levels of progress (national average 30%). The implementation of new accountability measures was introduced in 2016 and the high school performed well in all parameters with a progress 8 score of +0.12 and an Attainment 8 score of 57.04 against an indicative national average of 49.34.

At A level, 46% of students achieved overall A*-B grades. 92% of students achieved A*-E. All students who applied to university gained a place of their choice.

When considering the performance of schools, as a Trust, we believe that it is important to take into account the opportunities offered to students to enable them to develop as people and the wider contribution that the Trust makes to the community. As well as having Teaching Schools at secondary and primary level, schools within the Trust have been recognised with a series of awards for the opportunities that they offer young people, for example; Leadership Academy Status, International School Award, Global Learning Lead School Status, Fairtrade School, Healthy School Status, Duke of Edinburgh Licensed Organisation and the Stephen Lawrence Education Standard. All schools within the Trust are also members of the John Paul the second Foundation for Sport, using sport as an opportunity to develop virtues in young people.

Going concern

The work of the Finance and Audit Committee focusses, as a priority, on protecting the Trust's financial position. Reporting measures are in place to ensure the Trust remains robust in the face of national funding decline, which presents the Trust with significant challenges. The budget modelling tool (BPS Orovio) is utilised. 3-5 year projections are modelled. Financial reports to Directors, and Governors at local level, are consistent, aiding appropriate decision-making. The Group Accountant attends local finance committee meetings upon request. Stringent budgetary control is exercised in every academy, providing an overall safeguard to the going concern of the Trust. A surplus-deficit policy has been proposed during the year, advising individual academies to aim for 5% surplus of GAG. Use of surpluses over this level require a written plan, to be approved by the Board. Deficit action plans are also required. As a result, the Board of Directors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. It continues to adopt the going concern basis in preparing the financial statements.

DIRECTORS' REPORT

Financial Review

The financial position in the period shows a deficit of £749,000 (2015: £984,000 surplus – re-stated owing to removal of Diocesan owned land and buildings). Factors to consider going forward include ongoing pressure from the EFA reducing funding and rising employee costs that are not funded. Also, the high school is threatened by a loss of sixth form students, owing to local competition, changes in the structure of A levels and facilities that require improvement. All schools are required to approve a balanced budget. However, significant events may require a deficit plan. The high school is working on a deficit action plan for 2016-17 and beyond. St Stephen's, Skipton (sponsored academy converter) is also predicting deficit budgets for the next two years, owing to low pupil numbers. A deficit action plan is in place, capital investment has been allocated and pupil numbers are improving. The Trust has adopted a new Surplus / Deficit policy, which requires surplus and deficit action plans to be submitted for approval by the Directors.

The key sources of funding are the EFA general annual grant, other government grants such as the Pupil Premium and the CIF capital allocation. The key Trust objective is to provide excellent Catholic education for all of our students, therefore staffing is our key cost. Staffing costs equate to 72.6% of total expenditure. Staffing costs by school are benchmarked internally. Analysis evidences that when staffing costs are kept below 75% at the high school and 70% in the primary schools, and where other resource expenditure is monitored and controlled effectively, balanced budgets and maintaining a 5% surplus can be achieved. Achieving a 5% surplus at the high school is considered to be a major challenge in the current economic climate.

Pension liabilities pose a threat to financial stability for the Trust. The pension deficit is currently £5,829,000 (2015: £2,345,000 deficit). This will affect both employer contributions going forward and the annual additional charge. The local government pension schemes will be revalued in April 2017. The liability position will become clearer at that point. We do expect employer contribution rate to increase significantly.

Reserves Policy

Excluding the pension scheme liability and fixed asset fund, the Academy funds carried forward as at 31 August 2016 are a surplus of £668,000 (2015 (re-stated): £1,379,000).

The split between funds of the surplus is general restricted funds £237,000 (2015: £757,000) and unrestricted funds £431,000 (2015: £622,000). The general restricted funds balance relates to unspent grants from DfE/EFA that are allocated against projects that will take place within the next 12 months.

It is the intention of the Directors that unrestricted funds are substantial enough to cover the Trust's normal operating expenditure for one month, to ensure protection against both foreseen and unforeseen events which would place a strain on the day to day running of the Academy. Currently, this expectation is threatened.

The fixed asset funds of £2,744,000 (2015: restated - £2,580,000) are represented by fixed assets with a carrying value of £2,654,000 (2015: restated £1,901,000), plus additional funds of £90,000 received for the MAT CIF grant, which is currently unspent.

The Trust's pension scheme liability at 31 August 2016 amounted to £5,829,000 (2015: £2,345,000). This liability does not have an immediate impact on cash flow, but may result in increased contributions in future years. Parliament has agreed, that at the request of the Secretary of State for Education, to guarantee that in the event of an academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education.

DIRECTORS' REPORT

Investment policy

Investment decisions will be considered and authorised by the Finance Committee. A register of investments will be held as appropriate, ensuring social, environmental and ethical considerations are taken into account.

Principal risks and uncertainties

As noted above, under 'going concern', the principal risk facing the Trust is the national decline in funding in real terms, both revenue and capital, set against the rise in employer pension, national insurance and annual cost of living percentage increases – none of which are funded - and equate to an increase of around 5% of employee costs overall.

The principal task at hand is to maintain and continually improve standards with less funds available in which to achieve this. It should be noted that the 'Education Services Grant' has been cut from £356 per pupil on conversion in March 2013, to £87 per pupil in September 2015. No further protection of the ESG is expected. 2015-16 saw the final formula protection for sixth form funding.

A new sixth form college in Leeds, as well as a proposed new sixth form free school within 5 miles of our secondary school, pose a significant threat to maintaining sixth form pupil numbers. Although standards are good in sixth form, facilities are lacking and there is scant development funding available to the secondary school, already financially squeezed, to invest in sixth form facilities.

The new CIF capital grant, allocated to the Trust directly for the first time in 2015-16, was not sufficient to meet the priority condition building needs. Around £1.2 million capital bids were received. £400,000 grant was received in the first year. All of our academies struggle to invest in ICT developments.

As an area of the lowest level of funding per pupil, Bishop Wheeler Trust is likely to benefit from the government's 'fairer funding formula.' However, this initiative has been postponed, and so remains uncertain.

Local government pension revaluations are likely to add more pressure on squeezed budgets.

All cost-saving opportunities are continually considered, however, following reviews of staff structures, redundancies were made in three of our academies during 2015-16. Redundancy is always a last resort, but cannot be ruled out during such challenging financial times in the education sector.

As a Trust, we are acutely aware of the risks faced as outlined above and continue to strive to mitigate these risks through the controls and procedures we have in place which include:

- Priority capital bid policy for component schools to ensure funds are allocated appropriately
- Continual review of staffing levels across the Trust
- Ongoing review of new funding / income opportunities
- The risk register is a live document, reviewed regularly through several committees

DIRECTORS' REPORT

Auditor

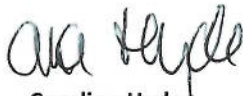
Saffery Champness have been appointed as auditor, following a tender process in April 2016.

Statement as to disclosure of information to the auditor

Insofar as the Directors are aware:

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

The Directors' Report and the Strategic Report (including therein) is approved by order of the Board of Directors at the Audit and Finance Committee Meeting on 7 December 2016 and signed on its behalf by:



Caroline Hyde
Chair of the Trust

GOVERNANCE STATEMENT

Scope of responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that The Bishop Wheeler Catholic Academy 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 Accounting Officer ensures financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Bishop Wheeler Catholic Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Board of Directors has formally met 4 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Director:	Meetings attended of possible
Alison Ashworth	4 of 4
Darren Beardsley	4 of 4
Kieran Bentham	1 of 4
Bernadette Boswell	2 of 4
Marie Buxton	4 of 4
Edward Diamond	3 of 4
Diane Gaskin	4 of 4
Lawrence Hogan	4 of 4
Peter Hughes	4 of 4
Caroline Hyde	3 of 4
Robert Lavery	2 of 4
Alixena Lubomski	4 of 4
Joseph McDonnell	4 of 4
Elizabeth McGuire	4 of 4
Philippa Monaghan	2 of 2
Mgr Paul Owens	2 of 4
Nicholas Reed	2 of 4

Finance and Audit Committees

Where needed, the Finance and Audit Committees meet separately as sub-committees of the main Board of Directors, where their roles and terms of reference are clearly defined. However they are currently working as a joint committee.

Purpose of the Finance Committee:

- ensure strategic financial plans reflect the Trust's key objectives
- oversee financial planning and approve annual budgets, ensuring short term budgets are in line with agreed longer term plans
- ensure that proper accounts and records are maintained
- safeguard assets
- manage the Trust's investments
- ensure financial solvency is fulfilled

GOVERNANCE STATEMENT

- prepare, monitor and review financial policies and recommend approval to the Board
- monitor the financial position through accurate and timely reports
- monitor and review best value for money principles
- review insurance policies annually

Purpose of the Audit Committee:

- gain assurance that the Trust's risk management, control and governance arrangements are adequate and effective
- appoint and engage the external auditor and review remuneration and terms of engagement annually
- monitor the integrity of the financial statements, reviewing reporting judgments contained in them
- review the effectiveness of the systems of internal control through the internal audit function
- promote and secure co-ordination between the external and internal audit functions
- monitor the implementation of audit recommendations
- monitor and maintain the risk management plan (risk register).

Four meetings of the joint Finance and Audit Committees took place with attendance at the meetings as follows:

Directors:	meetings attended	out of a possible
Edward Diamond	4	4
Diane Gaskin	4	4
Lawrence Hogan	4	4
Peter Hughes	3	4
Caroline Hyde	3	4
Darren Beardsley	3	4
Robert Lavery	3	4

Review of value for money

The Accounting Officer 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.

Improved value for money during the year has been achieved by putting out to tender the provision of audit services and payroll provider. Both appointments have resulted in considerable cost savings as well as the expectation that both new services will support us in our aim to strengthen controls as we develop.

The Board also reviewed the central Trust charge during the year. It was proposed, and approved, to increase the charge to 3% of GAG with effect from 1st September 2016. The previous fixed fee did not cover the Trust's central running costs sufficiently, and it was deemed essential to recover the central Trust's element of deficit. This move was consulted across all Academy Councils, and was debated in context at the Trust Conference in February. Credit is due to all Headteachers and Chairs of Academy Council for accepting the increase for the greater good of all concerned.

The purpose of the systems of internal control

The ongoing system of internal control supports the management of risk at a reasonable level. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies,

GOVERNANCE STATEMENT

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.

Capacity to handle risk

The Board of Directors 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 Directors is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks up to the date of approval of the annual report and financial statements. This process is reviewed regularly by the Audit Committee and reported back to the Trust Board.

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 Directors
- regular reviews by the Finance and Audit Committees 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

Internal controls are considered to be much wider than financial procedures alone and are monitored and evaluated in the areas of ICT; Health & Safety management; premises management; consistent and safe practices in HR processes; the management of legal queries and overall structures of governance.

During the year, the internal auditor undertook a review of purchasing procedures. The H&S advisors, AJ Gallagher, conducted a 'health check' on health and safety procedures in each academy, producing rag-rated action plans. A review of ICT systems is planned.

Review of effectiveness

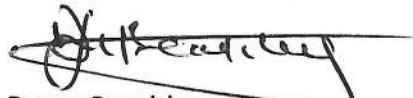
Darren Beardsley has responsibility for reviewing the effectiveness of the system of internal control. The review has been informed by:

- the work of the internal auditors
- the work of the external auditor
- 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 finance and audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Directors on 7 December 2016 and signed on its behalf by:


Caroline Hyde
Chair of Trust Board


Darren Beardsley
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Bishop Wheeler Catholic Academy Trust I have considered my responsibility to notify the Academy Trust Board of Directors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm the following instances of material irregularity, impropriety or finding non-compliance discovered to date have been notified to the board of trustees and the EFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.

- In one instance the trust's procurement process had not been followed in full and three quotes had not been obtained for capital expenditure in excess of £10,000.
- The trust did not maintain sufficient information in support of the 'at cost' requirement in relation to connected party transactions with the Diocese of Leeds, as outlined in note 22 of the financial statements



Darren Beardsley
Accounting Officer

Date: 7 December 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors (who act as governors of The Bishop Wheeler Catholic Academy Trust and are also the trustees of the charitable company for the purposes of company law) are responsible for preparing the Directors' Report (including Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

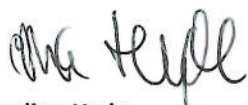
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

The Directors 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 Directors on 7 December 2016 and signed on its behalf by:



Caroline Hyde
Chair of Trust Board

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BISHOP WHEELER CATHOLIC ACADEMY TRUST YEAR ENDING ON 31 AUGUST 2016

We have audited the financial statements of The Bishop Wheeler Catholic Academy Trust for the year ended 31 August 2016 on pages 23 to 56. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 (FRS102).

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

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the company 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the trustees;
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BISHOP WHEELER CATHOLIC
ACADEMY TRUST YEAR ENDING ON 31 AUGUST 2016

Opinion on other requirement of the Companies Act 2006

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

Matters on which we are required to report by exception

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

- The charity has not kept adequate and sufficient accounting records, or returns adequate for our audit
- have not been received from branches not visited by us, or
- The charity 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.



14/12/16

Jonathan Davis
Senior Statutory Auditor
For and on behalf of

Saffery Champness
Chartered Accountants
Statutory Auditors
Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
BISHOP WHEELER CATHOLIC ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 15 July 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Bishop Wheeler Catholic Academy Trust during the period 1 September 2015 to 31 August 2016 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 Bishop Wheeler Catholic Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Bishop Wheeler Catholic Academy Trust and EFA 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 Bishop Wheeler Catholic Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Bishop Wheeler Catholic Academy Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The Bishop Wheeler Catholic Academy Trust's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
BISHOP WHEELER CATHOLIC ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

The work undertaken to draw to our conclusion includes:

- Risk based sample testing on income and expenditure
- Review of the systems and internal controls in place
- Making appropriate enquiries of the Accounting Officer

Conclusion

In the course of our work, except for the matters listed below nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

- In one instance the trust's procurement processes had not been followed in full and three quotes had not been obtained for expenditure in excess of £10,000.
- The trust did not maintain sufficient information in support of the 'at cost' requirement in relation to connected party transactions with the Diocese of Leeds, as outlined in note 22 of the financial statements



Jonathan Davis
Senior Statutory Auditor

14/12/16

For and on behalf of

Saffery Champness
Chartered Accountants
Statutory Auditors
Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
for the year ended 31 August 2016

		Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2016 £000	Total 2015 (RESTATED) £000
INCOME						
Donations and capital grants	1	96	-	180	276	1,333
Transfer from local authority on conversion		-	(34)	-	(34)	1,141
Charitable activities:						
Funding for academy trust's educational operations	2	939	14,373	-	15,312	11,938
Other trading activities	3	92	-	-	92	205
Investments	4	2	-	-	2	1
TOTAL		1,129	14,339	180	15,648	14,618
EXPENDITURE						
Raising funds	5	-	15	-	15	11
Charitable activities:						
Academy trust educational operations	6	1,189	15,062	132	16,383	12,602
Other – trf from local authority on conversion		-	-	-	-	1,021
TOTAL		1,189	15,077	132	16,398	13,634
NET INCOME/(EXPENDITURE)		(60)	(738)	48	(749)	984
Transfers between funds		(131)	16	115	-	-
OTHER RECONGNISED GAINS/(LOSSES)						
Actuarial (losses)/gains on defined benefit schemes	21	-	(3,282)	-	(3,282)	164
NET MOVEMENT IN FUNDS		(191)	(4,004)	163	(4,032)	1,148
RECONCILIATION OF FUNDS						
Total funds brought forward (RESTATED)		622	(1,588)	2,580	1,614	466
Total funds carried forward		431	(5,592)	2,744	(2,417)	1,614

BALANCE SHEET
31 August 2016

Company Registration No. 8399801

	Notes	2016 £000	2015 (RESTATED) £000
FIXED ASSETS			
Tangible assets	11	2,654	1,901
CURRENT ASSETS			
Debtors	12	392	691
Cash at bank and in hand		1,337	2,220
		<u>1,729</u>	<u>2,911</u>
CREDITORS: Amounts falling due within one year	13	(971)	(854)
NET CURRENT ASSETS		<u>758</u>	<u>2,057</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,412	3,959
Pension scheme liability	21	(5,829)	(2,345)
NET ASSETS INCLUDING PENSION LIABILITY		<u>(2,417)</u>	<u>1,614</u>
FUNDS OF THE ACADEMY TRUST:			
RESTRICTED FUNDS			
Fixed asset fund	14	2,744	2,580
General fund	14	237	757
		<u>2,981</u>	<u>3,337</u>
Restricted funds excluding pension reserve		2,981	3,337
Pension reserve	14	(5,829)	(2,345)
TOTAL RESTRICTED FUNDS		<u>(2,848)</u>	<u>992</u>
TOTAL UNRESTRICTED INCOME FUNDS	14	<u>431</u>	<u>622</u>
TOTAL FUNDS		<u>(2,417)</u>	<u>1,614</u>

The financial statements on pages 23 to 56 were approved by the trustees and authorised for issue on 7 December 2016, and are signed on their behalf by:



Caroline Hyde
 Chair of Trust Board

CASH FLOW STATEMENT
for the year ended 31 August 2016

	Notes	2016 £000	2015 (RESTATED) £000
NET CASH INFLOW FROM OPERATING ACTIVITIES	16	-	1,195
Return on investment and servicing of finance			
Interest received		2	1
Capital expenditure	17	(885)	-
Cash transferred on conversion to an academy trust	18	-	73
(DECREASE)/INCREASE IN CASH IN THE PERIOD		<u>(883)</u>	<u>1,269</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
NET FUNDS AT 1 SEPTEMBER		2,220	951
(Decrease)/Increase in cash in the period	19	<u>(883)</u>	<u>1,269</u>
NET FUNDS AT 31 AUGUST		<u>1,337</u>	<u>2,220</u>

All of the cash flows are derived from continuing operations and acquisitions in the year.

ACCOUNTING POLICIES for the year ended 31 August 2016

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Bishop Wheeler Catholic Academy Trust meets the definition of a public benefit entity under FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of The Bishop Wheeler Catholic Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of The Bishop Wheeler Catholic Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations to previous UK GAAP for the comparative figures are included in Note 25.

Explanation of transition to FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Going concern

The Directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The 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.

ACCOUNTING POLICIES (*continued*)
for the year ended 31 August 2016

Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. The constraints placed on income received will determine whether or not the income is restricted or unrestricted. Unrestricted income can be used for any purpose directed by the Directors in accordance with the objects of the Trust.

Grants receivable

Grant income is 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.

The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities to the extent of the entitlement of the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

Capital grants are recognised as voluntary income on a receivable basis to the extent there is entitlement.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

Donations

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

Other income

Other income, including from the hire of facilities, will be recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Donated services and gifts in kind

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

Resources expended

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

Costs of generating funds

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

Charitable activities

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

ACCOUNTING POLICIES (*continued*)
for the year ended 31 August 2016

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses. All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Groups of assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

- long leasehold buildings – over the life of the asset
- leasehold land and buildings – 125 years
- fixtures, fittings and equipment – 20% - 33.33% straight line
- ICT equipment – 25% straight line

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.

Disposal of assets

Up to £500 – authorised by Headteacher

Over £500 – authorised by Academy Council Finance sub-committees

Asset disposal forms will be signed and retained by the Finance Officer.

ACCOUNTING POLICIES (*continued*)
for the year ended 31 August 2016

Security of assets

Budget holders are responsible for the care, custody and security of the stock and equipment under their control. They will consult the Finance Director when they consider additional security arrangements may be needed. Assets shall not be subject to personal use without authorisation.

Land and buildings occupied under licence

Land and buildings owned by The Diocese of Leeds: The academy trust company occupies the land (and buildings) under a mere licence. This continuing permission of use is pursuant to, and subject to, the Trustees' charitable objects, and is part of the Catholic Church's contribution since 1847 to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land (and buildings) to the academy trust company for the time being, but does not vest any rights over the land in the academy trust company. The Diocese of Leeds can terminate this agreement, with Secretary of State approval, with two years notice, requiring the academy to find new premises. All Diocese of Leeds land and buildings are therefore not included on the academy trusts balance sheet as a tangible fixed asset.

Improvements to Land and buildings occupied under licence

Any improvements made to Diocesan owned land and buildings costing £5,000 or more that are funded by the academy trust, either by direct capital grants from the government or as part of the academy trusts maintenance programme, will be included as leasehold improvements within the balance sheet and treated as a tangible fixed asset. These leasehold improvements will be depreciated over their expected useful economic life. These assets will be assessed for impairment annually in light of the licence arrangement.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Recognition of liabilities and other provisions

Liabilities are recognised when a legal or constructive obligation arises as a result of a past event.

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.

Pensions 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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), until April 2016, 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 benefit method. As stated in Note 21, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

ACCOUNTING POLICIES (*continued*)
for the year ended 31 August 2016

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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

Transfers between funds are made where allowable and appropriate.

Agency arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. Where funds have not been fully applied in the year then an amount will be included as amounts due to EFA.

Treasury management policy

Treasury management is defined by the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Code of Practice for Treasury Management in the Public Services as the management of the Academy's cash flows, banking, money market and capital market transactions; the effective management of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

The objectives of treasury management are:

- a) to provide a means by which the Academy can meet its commitments;
- b) to ensure that sufficient sums are available at short or no notice to meet foreseeable requirements;
- c) to earn an acceptable rate of return on surplus funds without undue risk; and
- d) to spread risk between differing types of investment and institutions.

1. Responsibility

The Accounting Officer has overall responsibility for the security and management of funds. The day to day management of the treasury function is controlled by the Finance Director.

2. Borrowing of funds

Academies are not permitted to borrow without prior permission of the Secretary of State.

3. Investment of funds

A return on working capital should be optimised whilst allowing easy access of the funds. **In balancing risk against return the Academy policy is clearly geared towards avoiding risk than to maximising return.**

ACCOUNTING POLICIES (*continued*)
for the year ended 31 August 2016

Monies surplus to the working requirements shall be invested in an account in the name of the Trust with approved institutions authorised by the Trust.

The Trust will not take out any long term investments until a reliable cash flow pattern has been established. Monies will only be paid into approved bank deposit accounts allowing access to funds within a term not exceeding three months.

The Trustees will ensure that the Trust maintains sufficient reserves to meet unexpected expenditure.

4. **Register of investments**

The Finance Director will maintain a register of all deposits/investments held which will record:

- institution with which the deposit was made
- date deposit was placed
- amount deposited
- date of maturity
- amount returned
- interest earned
- rate of interest obtained
- authorisation for the transaction

5. **Credit risk**

Credit risk will be minimised by ensuring that funds are spread across a range of institutions as appropriate. The limits of funds invested with approved institutions will be approved at least annually by the Trust Board and more frequently subject to market conditions.

6. **Cash flow forecasts**

The Finance Director and Group Accountant will prepare and present an annual monthly cash flow statement to the Trust Finance Sub Committee at the beginning of each academic year in order to highlight expected cash balances throughout the year that may be invested and give early warning of any need to seek approval to borrow. They will then subsequently maintain a rolling 12 month forecast.

ACCOUNTING POLICIES (*continued*)
for the year ended 31 August 2016

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 are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Currently there are no critical judgements to disclose, other than the exclusion of diocesan owned land and buildings as detailed in note 11

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2016

1 DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total 2016 Total £000	Total 2015 Total £000
DfE/EFA capital grant for building	-	-	180	180	1,216
Other donations	96	-	-	96	117
	<u>96</u>	<u>-</u>	<u>180</u>	<u>276</u>	<u>1,333</u>
2015 total	<u>116</u>	<u>537</u>	<u>679</u>	<u>1,333</u>	

2 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
DfE/EFA REVENUE GRANTS:				
General Annual Grant	-	12,572	12,572	10,002
Other DfE/EFA grants	-	1,041	1,041	639
Start up grants	-	-	-	195
Other income:				
Other government grants	-	506	506	141
Catering income	440	-	440	324
Trip income	310	-	310	310
Hire of facilities	97	-	97	96
Other income	92	254	346	231
	<u>939</u>	<u>14,373</u>	<u>15,312</u>	<u>11,938</u>
2015 total	<u>803</u>	<u>11,135</u>	<u>11,938</u>	

NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2016

3 OTHER TRADING ACTIVITIES

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Income from recharge of services	19	-	19	112
Extended services	73	-	73	92
Other income	-	-	-	1
	<u>92</u>	<u>-</u>	<u>92</u>	<u>205</u>
2015 total	<u>113</u>	<u>92</u>	<u>205</u>	

4 INVESTMENT INCOME

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Short term deposits	2	-	2	1
	<u>2</u>	<u>-</u>	<u>2</u>	<u>1</u>
2015 total	<u>1</u>	<u>-</u>	<u>1</u>	

NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2016

EXPENDITURE

	Staff Costs	Premises Costs	Other Costs	Total 2016	Total 2015 (RESTATED)
	£000	£000	£000	£000	£000
Expenditure on raising funds	-	15	-	15	11
Academy's educational operations:					
Direct costs	9,816	132	783	10,731	7,647
Allocated support costs	2,095	1,296	2,261	5,652	4,409
Other resources expended transfer from local authority on conversion	-	-	-	-	1,021
	<u>11,911</u>	<u>1,443</u>	<u>3,044</u>	<u>16,398</u>	<u>13,088</u>

The total expenditure was £16,398,000 (2015: £13,088,000) of which £1,189,000 was unrestricted (2015: £949,000), £15,077,000 was restricted (2015: £12,117,000) and £132,000 restricted fixed asset (2015: £22,000).

	Total 2016 £000	Total 2015 £000
Net (outgoing)/incoming resources for the period are stated after charging:		
Operating leases:		
plant and machinery	70	76
Depreciation	132	22
Fees payable to auditor:		
audit	25	38
other services	5	12
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2016

6	CHARITABLE ACTIVITIES	Total 2016 £000	Total 2015 (RESTATED) £000
	Direct costs – educational operations	10,731	7,647
	Support costs – educational operations	5,652	4,409
		<u>16,383</u>	<u>12,056</u>
	ANALYSIS OF SUPPORT COSTS		
	Support staff costs	2,094	1,730
	Technology	192	170
	Recruitment and support	27	25
	Maintenance of premises and equipment	995	692
	Cleaning	102	41
	Rent and rates	110	83
	Energy costs	194	155
	Insurance	176	134
	Security and transport	44	43
	Catering	646	445
	Bank interest and charges	10	2
	Pension finance cost	79	(76)
	Other support costs	391	352
	Trip expenditure	350	324
	Governance costs	242	289
	Total support costs	<u>5,652</u>	<u>4,409</u>

The Charitable Activities expenditure was £16,383,000 (2015: £12,056,000) of which £1,189,000 was unrestricted (2015: £949,000), £15,061,000 was restricted (2015: £11,085,000) and £132,000 restricted fixed asset (2015: £22,000).

NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2016

7 STAFF

	Total 2016 £000	Total 2015 (RESTATED) £000
a. Staff costs		
Staff costs during the period were:		
Wages and salaries	9,055	7,297
Social security costs	675	492
Pension costs	1,638	1,232
	<u>11,368</u>	<u>9,021</u>
Supply staff costs	507	226
Staff restructuring costs (redundancy)	36	21
	<u>11,911</u>	<u>9,268</u>

b. Non statutory/non-contractual staff severance payments

During the year there were no non-statutory/non-contractual staff severance payments.

c. Staff numbers

The average number of persons (including senior management team) employed by the Academy Trust during the period was as follows:

	2016 No	2015 No
Teachers	151	139
Administration and support	267	204
Management	10	10
	<u>428</u>	<u>353</u>

d. Higher paid staff

The number of employees whose annual emoluments fell within the following band was:

	2016 No	2015 No
£60,000 - £70,000	5	1
£70,001 - £80,000	-	2
£80,001 - £90,000	2	1
	<u>7</u>	<u>4</u>

NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2016

7 STAFF (continued)
e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 2-3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £688,481 (2015: £606,205).

8 CENTRAL SERVICES

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

- Human resources
- Financial services
- Legal services
- Educational support services
- Other as arising

The Bishop Wheeler Catholic Academy Trust charges for these services on the following basis:

- Fixed Fee

The actual amounts charged during the year were as follows:

	2016 £000	2015 £000
Sacred Heart Catholic Primary School Ilkley, a Voluntary Academy	18	18
St Joseph's Catholic Primary School Pudsey, a Voluntary Academy	18	18
St Joseph's Catholic Primary School Otley, a Voluntary Academy	18	18
St Mary's Horsforth Catholic Voluntary Academy	18	18
St Mary's Menston, a Catholic Voluntary Academy	90	90
Ss Peter and Paul Catholic Primary School, a Voluntary Academy	18	18
St Mary's Catholic Primary School Knaresborough, a Voluntary Academy	18	-
St Joseph's Catholic Primary School Harrogate, a Voluntary Academy	18	-
Holy Name Catholic Voluntary Academy, Cookridge	18	-
St Stephen's Catholic Primary School, Skipton	18	-
	<u>252</u>	<u>180</u>

NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2016

9 TRUSTEES' REMUNERATION AND EXPENSES

Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment and not in respect of their services as trustees. Other trustees did not receive any payments from the Academy Trust in respect of their role as trustees.

D Beardsley (Principal and Accounting Officer)

Remuneration £85,000 - £90,000 (2015: £80,000-£85,000)

Employer's pension contributions paid £10,000 - £15,000 (2015: £10,000 - £15,000)

A Ashworth (Principal and Trustee)

Remuneration £60,000 - £65,000 (2015: £55,000-£60,000)

Employer's pension contributions paid £10,000 - £15,000 (2015: £5,000 - £10,000)

B Boswell (Staff Trustee)

Remuneration £20,000 - £25,000 (2015: £25,000 - £30,000)

Employer's pension contributions paid £0 - £5,000 (2015: £0 - £5,000)

P Hughes (Principal and Trustee)

Remuneration £80,000 - £85,000 (2015: £75,000-£80,000)

Employer's pension contributions paid £10,000 - £15,000 (2015: £10,000 - £15,000)

A Lubomski (Principal and Trustee)

Remuneration £65,000 - £70,000 (2015: £75,000-£80,000)

Employer's pension contributions paid £0 (2015: £0)

P Monaghan (Staff Trustee)

Remuneration £5,000 - £10,000 (2015: £10,000 - £15,000)

Employer's pension contributions paid £0 - £5,000 (2015: £0 - £5,000)

During the year ended 31 August 2016, travel and subsistence expended totalling £1,366 was reimbursed or paid directly to 6 trustees (2015: £1,304 to 6 trustees)

Other related party transactions involving the trustees are set out in note 22.

10 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 Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was £6,280 (2015: £6,280).

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

NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2016

11 FIXED ASSETS

	Land and Buildings £000	ICT Equipment £000	Fixtures, Fittings & Equipment £000	Motor Vehicle £000	Total £000
Cost:					
1 September 2015(RESTATED)	1,905	20	19	-	1,944
Additions	676	111	75	23	885
Disposals	-	-	-	-	-
31 August 2016	<u>2,581</u>	<u>131</u>	<u>94</u>	<u>23</u>	<u>2,829</u>
Depreciation:					
1 September 2015 (RESTATED)	28	8	7	-	43
Charged in the year	74	33	19	6	132
Disposal	-	-	-	-	-
31 August 2016	<u>102</u>	<u>41</u>	<u>26</u>	<u>6</u>	<u>175</u>
Net book value: 31 August 2015 (RESTATED)	<u>1,877</u>	<u>12</u>	<u>12</u>	<u>-</u>	<u>1,901</u>
Net book value: 31 August 2016	<u>2,479</u>	<u>90</u>	<u>68</u>	<u>17</u>	<u>2,654</u>

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

- Leasehold improvements to create additional science classrooms at St. Mary's Menston, a Catholic Voluntary Academy, which was purchased by the trust at a value of £676,459.

A prior year adjustment is included resulting in the restated 31 August 2015 figures – see note 24.

NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2016

12	DEBTORS	2016 £000	2015 £000
	Trade debtors	9	28
	Other debtors	-	352
	VAT recoverable	135	101
	Prepayments and accrued income	248	210
		<u>392</u>	<u>691</u>
13	CREDITORS	2016 £000	2015 (RESTATED) £000
	Trade creditors	552	442
	Other creditors	110	107
	Accruals and deferred income	309	305
		<u>971</u>	<u>854</u>
	DEFERRED INCOME	2016 £000	2015 £000
	Deferred income at 1 September 2015	100	97
	Resources deferred in the year	180	100
	Amounts released from previous years	(100)	(97)
	Deferred income at 31 August 2016	<u>180</u>	<u>100</u>

At the Balance Sheet date the Academy Trust was holding funds received in advance for Key Stage 1 Universal Free School Meals, Out of School Club fees and Trips fees all paid in advance.

NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2016

14 FUNDS

	At 1 September 2015 (RESTATED) £000	Incoming resources £000	Resources expended £000	Gains, losses and transfers £000	At 31 August 2016 £000
RESTRICTED GENERAL FUNDS					
General Annual Grant (GAG) (excluding pension reserve)	-	12,572	(12,572)	-	-
Other DfE/EFA grants	407	1,547	(1,664)	(53)	237
Other income	350	220	(639)	69	-
Pension reserve	(2,345)	-	(202)	(3,282)	(5,829)
	<u>(1,588)</u>	<u>14,339</u>	<u>(15,077)</u>	<u>(3,266)</u>	<u>(5,592)</u>
RESTRICTED FIXED ASSET FUNDS					
DfE / EFA capital grants	679	180	(47)	(71)	742
Capital expenditure from GAG and Other Income	64	-	(55)	186	195
Assets transferred on conversion	1,837	-	(30)	-	1,807
	<u>2,580</u>	<u>180</u>	<u>(132)</u>	<u>115</u>	<u>2,744</u>
TOTAL RESTRICTED FUNDS	<u>992</u>	<u>14,519</u>	<u>(15,209)</u>	<u>(3,151)</u>	<u>(2,848)</u>
UNRESTRICTED FUNDS					
Unrestricted funds	622	1,129	(1,189)	(131)	431
TOTAL UNRESTRICTED FUNDS	<u>622</u>	<u>1,129</u>	<u>(1,189)</u>	<u>(131)</u>	<u>431</u>
TOTAL FUNDS	<u>1,614</u>	<u>15,648</u>	<u>(16,398)</u>	<u>(3,282)</u>	<u>(2,417)</u>

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

Restricted general funds have been spent in line with the terms of the Master Funding Agreement. Restricted fixed asset funds are used solely for capital purchases in line with the strategic objectives of The Bishop Wheeler Catholic Academy Trust.

The restricted pension fund is in deficit to the value of £5,829,000 as at 31 August 2016, which is in excess of the unrestricted funds. However this deficit has been inherited upon conversion to Academy status. The governors will continue to monitor this situation closely.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the GAG that it could carry forward at 31 August 2016.

NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2016

14 FUNDS (continued)

The funds attributable to each academy within the Academy Trust as at 31 August 2016 are as follows:

	Total 2016 £000	Total 2015 (RESTATED) £000
St. Mary's Menston, a Catholic Voluntary Academy	(1)	212
St. Joseph's Catholic Primary School Otley, a Voluntary Academy	96	119
Ss Peter and Paul Catholic Primary School, a Voluntary Academy	148	105
Sacred Heart Catholic Primary School Ilkley, a Voluntary Academy	173	120
St. Mary's Horsforth Catholic Voluntary Academy	124	272
St. Joseph's Catholic Primary School Pudsey, a Voluntary Academy	136	265
St. Mary's Catholic Primary School Knaresborough, a Voluntary Academy	123	100
St. Joseph's Catholic Primary School Harrogate, a Voluntary Academy	44	182
Holy Name Catholic Voluntary Academy	(29)	48
St. Stephen's Catholic Primary School, a Voluntary Academy	-	56
Trust	(146)	(100)
Total before fixed assets and pension reserve	668	1,379
Restricted fixed asset fund	2,744	2,580
Pension reserve	(5,829)	(2,345)
Total	(2,417)	1,614

NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2016

14 FUNDS (*continued*)

The deficit on the Trust funds represents costs paid centrally. During the period the Academies within the Academy Trust spent the following on teaching and support staff, other support staff, educational supplies and other costs:

Analysis of Academies by cost

	Teaching & Support Staff £000	Other Support Staff £000	Educational Supplies £000	Other Costs (excluding depreciation) £000	Total 2016 £000	Total 2015 (RESTA TED) £000
Trust	13	310	-	252	575	145
St. Mary's Menston, a Catholic Voluntary St. Joseph's Catholic Primary School Pudsey, a Voluntary Academy	4,450	797	91	1,386	6,724	6,647
St. Mary's Horsforth Catholic Voluntary Academy	705	265	31	347	1,348	1,118
Ss Peter and Paul Catholic Primary School, a Voluntary Academy	619	87	28	425	1,159	1,056
St. Joseph's Catholic Primary School Otley, a Voluntary Academy	516	96	13	246	871	882
Sacred Heart Catholic Primary School Ilkley, a Voluntary Academy	608	114	13	280	1,015	990
St. Mary's Catholic Primary School Knaresborough, a Voluntary Academy	573	94	13	239	919	1,265
St. Joseph's Catholic Primary School Harrogate, a Voluntary Academy	555	83	14	253	905	115
Holy Name Catholic Voluntary Academy	568	49	41	333	991	113
St. Stephen's Catholic Primary School, a Voluntary Academy	586	91	29	359	1,065	68
	623	109	17	209	958	56
Total	9,816	2,095	290	4,329	16,530	12,455

NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2016

14 FUNDS (continued)

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2016 £000
Tangible fixed assets	-	-	2,654	2,654
Current assets	790	849	90	1,729
Current liabilities	(359)	(612)	-	(971)
Pension scheme liability	-	(5,829)	-	(5,829)
	<u>431</u>	<u>(5,592)</u>	<u>2,744</u>	<u>(2,417)</u>

15 FINANCIAL COMMITMENTS

OPERATING LEASES

At 31 August 2016 the Academy Trust had total commitments under non-cancellable operating leases as follows:

	2016 £	2015 £
Other:		
Amounts due within one year	48	70
Amounts due between one to five years	55	60
Amounts due after five years	-	-
	<u>-</u>	<u>-</u>

16 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2016 £000	2015 (RESTATED) £000
Net income/(expenditure)	(749)	984
Investment income	(2)	(1)
Assets transferred on conversion	-	(885)
Cash transferred on conversion	-	(73)
Pension liability transferred on conversion	-	1,021
Depreciation (note 11)	132	22
FRS 102 pension cost less contributions payable (note 21)	123	207
FRS 102 pension finance costs (note 21)	79	(76)
Decrease/(increase) in debtors	300	(492)
Increase in creditors	117	488
Net cash provided by / (used in) Operating Activities	<u>0</u>	<u>1,195</u>

NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2016

17 CASH FLOWS FROM INVESTING ACTIVITIES

	2016 £	2015 £
Purchase of tangible fixed assets	(885)	-
Net cash provided by / (used in) investing activities	(885)	-

18 CASH TRANSFERRED ON CONVERSION TO AN ACADEMY TRUST

	2016 £	2015 £
Cash balance transferred on conversion	-	73

19 ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 1 September 2015 £	Cashflows £	At 31 August 2016 £
Cash at bank and in hand	2,220	(883)	1,337
	<u>2,220</u>	<u>(883)</u>	<u>1,337</u>

20 MEMBERS' LIABILITY

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

NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2016

21 PENSION AND SIMILAR OBLIGATIONS

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

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

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), 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 of Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2016

21 PENSION AND SIMILAR OBLIGATIONS (*continued*)

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

Pension costs paid to TPS in the period amounted to £947,156 (2015: £643,366).

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 – West Yorkshire Pension Fund

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 2016 was £605,000 (2015: £547,000), of which employer's contributions totalled £450,000 (2015: £405,000) and employees' contributions totalled £155,000 (2015: £142,000). The agreed contribution rates for future years are 15.6 per cent for employers and 5.5 per cent to 8.5 per cent for employees.

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

Principal actuarial assumptions	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.5%	3.5%
Rate of increase for pensions in payment/inflation	2.0%	2.0%
Rate of increase for deferred pensions	2.0%	2.0%
Discount rate for scheme liabilities	2.0%	3.8%
Inflation assumption (CPI)	2.0%	2.0%

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

	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	22.7	22.6
Females	25.6	25.5
<i>Retiring in 20 years</i>		
Males	24.9	24.8
Females	28.0	27.8

NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2016

21 PENSION AND SIMILAR OBLIGATIONS (*continued*)

The academy trust's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2016 £000	Fair value at 31 August 2015 £000
Equity instruments	5,260.8	4,129.7
Property	336.2	244.9
Government bonds	784.6	565.9
Corporate bonds	294.2	250.3
Cash	98.1	81.6
Other	231.2	168.6
Total market value of assets	7,005	5,441
Present value of scheme liabilities		
- Funded	(11,259)	(6,864)
Deficit in scheme	(4,254)	(1,423)

The Bishop Wheeler Catholic Academy Trust Academy employs a building block approach in determining the rate of return on fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the fund at 31 August 2016.

The actual return on scheme assets was £1,073,000 (2015: £57,000).

Amount recognised in the statement of financial activities

	2016 £000	2015 £000
Current service cost (net of employee contributions)	515	486
Net interest cost	46	43
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Past service cost	9	-
Total operating charge	570	529

NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2016

21 PENSION AND SIMILAR OBLIGATIONS (*continued*)

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

	2016 £000	2015 £000
At 1 September	6,864	6,017
Current service cost	515	486
Interest cost	262	224
Employee contributions	155	142
Actuarial (gain)/loss	3,568	(290)
Benefits paid	(114)	(121)
Past service cost	9	-
Plan introductions, benefit changes, curtailments and settlements	-	406
	<hr/>	<hr/>
At 31 August	11,259	6,864
	<hr/>	<hr/>

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

	2016 £000	2015 £000
At 1 September	5,441	4,660
Interest income	216	181
Remeasurement gains/(losses) on assets	857	(124)
Employer contributions	450	405
Employee contributions	155	142
Benefits paid	(114)	(121)
Plan introductions, benefit changes, curtailments and settlements	-	298
	<hr/>	<hr/>
At 31 August	7,005	5,441
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NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2016

21 PENSION AND SIMILAR OBLIGATIONS (*continued*)

Local Government Pension Scheme – North Yorkshire Pension Fund

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 2016 was £122,000 (2015: £20,000), of which employer's contributions totalled £90,000 (2015: £16,000) and employees' contributions totalled £32,000 (2015: £4,000). The agreed contribution rates for future years are 16.5 per cent for employers and 5.5 per cent to 8.5 per cent for employees.

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

Principal actuarial assumptions	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.4%	3.6%
Rate of increase for pensions in payment/inflation	1.9%	2.1%
Rate of increase for deferred pensions	1.9%	2.1%
Discount rate for scheme liabilities	2.0%	3.8%
Inflation assumption (CPI)	1.9%	2.1%

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

	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	23.3	23.2
Females	25.8	25.7
<i>Retiring in 20 years</i>		
Males	25.6	25.4
Females	28.1	28.0

The academy trust's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2016 £000	Fair value at 31 August 2015 £000
Equity instruments	95.5	11.9
Property	13.1	1.4
Government bonds	22.5	3.2
Corporate bonds	7.6	1.5
Cash	(1.1)	0.2
Other	14.4	1.8
Total market value of assets	152	20
Present value of scheme liabilities		
- Funded	(1,727)	(942)
Deficit in scheme	(1,575)	(922)

NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2016

21 PENSION AND SIMILAR OBLIGATIONS (*continued*)

The Bishop Wheeler Catholic Academy Trust Academy employs a building block approach in determining the rate of return on fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the fund at 31 August 2015.

The actual return on scheme assets was £14,000 (2015: £1,000).

Amount recognised in the statement of financial activities

	2016 £000	2015 £000
Current service cost (net of employee contributions)	139	19
Net interest cost	33	4
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
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Total operating charge	172	23
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Changes in the present value of defined benefit obligations were as follows:

	2016 £000	2015 £000
At 1 September	942	502
Current service cost	139	19
Interest cost	36	4
Employee contributions	32	4
Actuarial (gain)/loss	582	1
Benefits paid	(4)	-
Past service cost	-	-
Plan introductions, benefit changes, curtailments and settlements	-	412
	<hr/>	<hr/>
At 31 August	1,727	942
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NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2016

21 PENSION AND SIMILAR OBLIGATIONS (*continued*)

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

	2016 £000	2015 £000
At 1 September	20	-
Interest income	3	-
Remeasurement gains/(losses) on assets	11	(1)
Employer contributions	90	16
Employee contributions	32	4
Benefits paid	(4)	-
Plan introductions, benefit changes, curtailments and settlements	-	1
At 31 August	152	20

22 RELATED PARTIES

Owing to the nature of the Academy Trust's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

Mr K Bentham is an Academy parent director and also managing director of Dataphiles. There were purchases of £Nil (2015: £30) from Dataphiles during the year and £nil (2015: £nil) was included in creditors at 31 August 2016.

Mr J McDonnell is an Academy foundation director and also managing director of Castle Construction. There were purchases of £nil (2015: £9,985) from Castle Construction during the year and £nil (2015: £nil) was included in creditors at 31 August 2016.

The Diocese of Leeds (Vicariate of Education) - an organisation in which Bishop Marcus Stock (Member of the Trust), Rev. Timothy Swinglehurst (Member of the Trust) and Caroline Hyde (Member & Chair of the Trust) are key members with significant influence. This organisation is a registered charity therefore runs as not-for-profit, the Diocese of Leeds supports the Academy Trust in providing a catholic education for all our students. There were purchases of £36,406 (2015: £50,317) from The Diocese of Leeds during the year, at the 31 August 2016 £nil (2015: £540) was included in debtors and £36 (2015: £nil) was included in creditors.

Catholic Care (The Diocese of Leeds) – an organisation in which Bishop Marcus Stock (Member of the Trust) is Chair of Trustees. This organisation is a registered charity therefore runs as a not-for-profit, Catholic Care provide additional pastoral support to our students following our catholic ethos. There were purchases of £44,317 (2015: £nil) from Catholic Care during the year, at the 31 August 2016 £nil (2015: £nil) was included in debtors and £nil (2015: £nil) was included in creditors.

NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2016

23 AGENCY ARRANGEMENTS

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £11,400 (2015: £12,253) and disbursed £11,400 (2015: £17,203), with £nil retained for administration. Therefore there is £nil (2015: £nil) repayable by the Academy Trust at the 31 August 2016 included in other creditors.

24 PRIOR YEAR ADJUSTMENT

In previous years all occupied land and buildings were recognised within the academy trusts Balance Sheet as a Tangible Fixed Asset. After a full review of the academy trust's land and buildings accounting policies and recognition criteria, the directors took the decision to remove the diocesan owned land and buildings from the Trusts Balance Sheet.

Diocesan owned land and buildings are occupied under a mere licence which is terminable by giving two years notice. The majority of the risks and rewards of ownership remain with the diocese. Given the nature of the mere licence the land and buildings has more characteristics of a rolling short term lease with a two year notice period of termination. Under FRS 102 current guidance this would be treated as an operating lease rather than a finance lease therefore not included as a tangible fixed asset.

Consideration of substance over form: the academy trust could be asked to vacate the Diocesan owned land and buildings with a two year notice period which would result in the closure of the academy or transfer of the academy to another location. Since there is no ongoing right to use a Diocesan owned land or building beyond two years the academy trust should not recognise the Diocesan owned land and buildings as a tangible fixed asset in the financial statements

Reconciliations and descriptions of the effect of the removal of these assets on total funds and net income / (expenditure) for the comparative period are given below:

Reconciliation of net income/(expenditure)	31 August 2015 £000
Net income/(expenditure) previously reported	3,145
Removal of assets transferred on conversion	(2,395)
Reduction of depreciation charged in the year	378
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Net income/(expenditure restated (prior to transition adjustment (Note 25)))	1,128
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NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2016

24 PRIOR YEAR ADJUSTMENT (*continued*)

Reconciliation of total funds	1 September 2014 £000
Total funds brought forward previously reported	8,927
Diocesan owned Land & Buildings cost	(9,006)
Diocesan owned Land & Buildings depreciation	545
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Total funds brought forward	466
Adjusted net movement in funds	1,128
Actuarial gain	25
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Total funds carried forward (prior to transition adjustment (Note 25))	1,619
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The net book value (NBV) of these assets as at 1 September 2014 totalled £8,461,195. The movement of this adjustment reduced the total funds brought forward to £1,124,532.

During the year ended 31 August 2015 additional Land and Buildings were transferred to the Academy Trust from the diocese due to 4 convertor primary schools joining the Trust. The movement of the removal of these assets has been charged to the SOFA in the year ended 31 August 2015 as follows: Assets transferred on conversion £2,395,000 (debit), Academy Trusts educational operations (depreciation) £377,576 (credit).

NOTES TO THE FINANCIAL STATEMENTS (*continued*)
for the year ended 31 August 2016

25 TRANSITION TO FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 20015 are given below:

Reconciliation of total funds		31 August 2015 £000
Total funds under previous UK GAAP (Note 24)		1,619
Employee benefits accrual	B	(5)
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Total funds reported under FRS 102		1,614
		<hr/>
Reconciliation of net income/(expenditure)		31 August 2015 £000
Net income/(expenditure) previously reported under UK GAAP (Note 24)		1,128
Change in recognition of LGPS interest cost	A	(139)
Employee benefits accrual	B	(5)
		<hr/>
Net movement in funds reported under FRS 102		984
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A Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit/debit to income/expense by £139,000 and increase the credit/debit in other recognised gains and losses in the SOFA by an equivalent amount.

B Recognition of outstanding employee benefits

No provision for outstanding holiday pay was made under previous UK GAAP. Under FRS 102 the costs of short-term employee benefits are recognised as a liability and an expense. Certain employees are entitled to carry forward any unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received. A provision of £nil was recognised at 1 September 2014, and £4,543 at 31 August 2015. The movement on this provision of £4,543 has been charged to the SOFA in the year ended 31 August 2015.

