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BEDFORD COLLEGE ACADEMIES TRUST LTD
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018



BEDFORD COLLEGE ACADEMIES TRUST LTD
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members

Bedford College
Sherida Carter
Dave Pridmore
Ian Pryce
Douglas Steward

Trustees

Ian Pryce, Chair of Trustees
Lesley Glover (appointed 1 November 2017)
Patricia Jones
Mark Kiteley
Jasmin Masih
Christine O'Reilly (appointed 1 November 2017)
Kay Rodger
Gillian Scobie

Company registered number

07652552

Company name

Bedford College Academies Trust Ltd

Principal and registered office

Bedford College
Cauldwell Street
Bedford
MK42 9AH

Company secretary

R J Nicol

Senior management team

Paul Spyropoulos, Principal (Wixams Academy)
Mary Langley, Headteacher (Wixams Tree Primary School)
Lindsey Pearson, Assistant Principal (Wixams Academy)

Independent auditors

MHA MacIntyre Hudson
Chartered Accountants
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

BEDFORD COLLEGE ACADEMIES TRUST LTD
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Bankers

Barclays Bank Plc
111 High Street
Bedford
MK40 1NJ

Solicitors

Hewitsons LLP
Elgin House
Billing Road
Northampton
NN1 5BA

BEDFORD COLLEGE ACADEMIES TRUST LTD
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Academy Trust operates 1 primary and 1 secondary academy in Bedfordshire. Its academies have a combined pupil capacity of 1,260 and had a roll of 178 at the year end.

Structure, governance and management

CONSTITUTION

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of Bedford College Academies Trust Ltd are also the directors of the charitable company for the purpose of company law. The charitable company operates as a Multi Academy Trust.

Details of the Trustees who served during the year and until the accounts are approved are included in the Reference and administrative details on page 1.

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, for the debts and liabilities contracted before they ceased to be a member.

TRUSTEES' INDEMNITIES

Subject to the provisions of the Companies Act 2006 every Director or other Officer of the Company shall be indemnified out of the assets of the Company against any liability incurred in that capacity.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

Trustees are appointed and inducted in accordance with the provisions detailed within the Memorandum and Articles of Association and by reference to a skills matrix.

The current Trust board consists of a broad skill set, encompassing significant educational expertise representing the full range of provision, and strong financial expertise. The composition also represents private enterprise and public sector roles with a wide range of professional backgrounds and experience.

Trustees are appointed for periods of 4 years with a commitment having been made to Trustees serving a maximum of two terms unless exceptional circumstances are relevant. Details of the Trustees are indicated on page 1.

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

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The training and induction provided for new Trustees will depend on their existing experience. Steps are taken to ensure new Trustees understand their legal obligations under charity and company law, the content of the Memorandum and Articles, the Funding Agreement and the Schemes of delegation. All Trustees are also encouraged to visit the academies and to meet staff and students. Board meetings are held at Academies.

ORGANISATIONAL STRUCTURE

The Trust is made up of two schools, which all report to the Trustees. Levels of delegation have been agreed by the Trust and include delegation to Local Advisory Bodies of each school. The Local Advisory Bodies are consultative and report back to the Board. Trustees and Local Advisory Body members are also offered the opportunity to observe the others' meetings.

The Heads of School and Senior Management Teams in each school are responsible for the day to day operations of that School, particularly in relation to staff and students.

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Trust has a robust pay policy which sets out the framework for making decisions on staff pay. Remuneration awards in the year are subject to the Key Management Personnel demonstrating a sustained high quality performance, as indicated by the extent to which objectives delineated in his/her annual performance appraisal have been met. Pay recommendations for the wider staff group and for the Head Teachers are presented to the Board for consideration annually.

TRADE UNION FACILITY TIME

There are no full time employees who are union officials. No time has been spent on facility time during the period.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Bedford College is one of 5 members of Bedford College Academies Trust Limited and a founder sponsor under the memorandum and articles of association. Bedford College continues to provide support to the Trust for central functions including Finance, HR and Governance support. The schools also source support from the IT and Marketing departments at Bedford College. The services are provided at cost.

Objectives and Activities

The Trust brings together two academies to advance its object of providing education for the public benefit and to improve the attainment of young people in the area at 16-18 by improving performance locally below those ages.

OBJECTS AND AIMS

In furtherance of the object the trust may exercise powers to financially operate in the name of the Trust, raise funds and to invite and receive contributions, acquire, alter, improve or dispose of property, employ such staff as are necessary for the proper pursuit of the object and to make necessary provision for pensions and superannuation for staff and their dependents.

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

Also, they may establish or support any charitable trusts, associations or institutions formed for all or any of the purposes of the object, co-operate with other charities, other independent and maintained schools, voluntary bodies and statutory authorities operating in furtherance of the object and to exchange information and advice with them.

The Trust may offer scholarships, exhibitions, prizes and awards to pupils and former pupils, and otherwise to encourage and assist pupils and former pupils, provide educational facilities and services to students of all ages and the wider community for the public benefit.

It may carry out research into the development and application of new techniques in education in particular in relation to the areas of curricular specialisation of the Trust and to its approach to curriculum development and delivery and to publish the results of such research, and to develop means of benefiting from application of the experiences of industry, commerce, other schools and the voluntary sector to the education of pupils in academies.

To do all such other lawful things as are necessary for or are incidental to or conducive to the achievement of the object. The income and property of the Academy Trust shall be applied solely towards the promotion of the object.

OBJECTIVES, STRATEGIES AND ACTIVITIES

Bedford College Academies Trust (BCAT) was established to develop and provide the highest quality education to local young people.

BCAT sees itself as being part of a local family of schools and academies and will normally only consider sponsoring institutions if they wish to be sponsored by us. Our commitment to Bedfordshire means that we are fully focussed on this area alone, meaning that all of our resources are locally available at all times.

We want our academies to focus fully on teaching and learning. To that end, we in turn focus on ensuring we have very high-quality leaders and teachers, and first-class learning environments. We also emphasise expert, impartial and individual advice and guidance, and strong links with parents and local employers. In order to allow staff to concentrate on teaching and learning, we provide strong central professional and support expertise that an individual academy would otherwise not be able to afford, such as IT and HR support.

In summary therefore our:

- Vision is to deliver world-class education and skills to the communities we serve;
- Mission is to support and enrich our community through the promotion, development and delivery of excellent education. In addition we seek to promote social inclusion and personal enhancement within that community;
- Values are Pupil Focus, High Performance, Respect, Openness and Honesty.

Success is defined by our pupils. BCAT wants its pupils to be described when they leave our schools as expert and skilled (for their age); resilient; reliable; caring; well mannered; articulate and rounded individuals. We want our pupils when they leave formal education to be good citizens able to take control of their destiny and able to navigate the world confidently.

PUBLIC BENEFIT

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

BEDFORD COLLEGE ACADEMIES TRUST LTD
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Strategic report

Achievements and performance

The Trust has established new schools and due to the nature of the admissions policy which is to grow the schools annually by one year group and therefore have not yet reached the stage of formal examination. However as with all new schools OFSTED undertake monitoring visits and feedback from a recent OFSTED monitoring visit described teaching as "at least good throughout the school. Strengths include the delivery of active and engaging lessons; behaviour for learning is successfully in place; teaching is differentiated." (Source DFE visit May 2018)

Performance for the Trust is being measured on the progress made by the pupils and assessed against neighbour and national statistics. A summary of progress information is shown below:

Wixams Academy

- Progress across A8 subjects for pupil premium pupils and pupils with special educational needs shows they exceeded their targets, achieving 1.13 grades progress in Year 7;
- Pupils with English as an additional language made 1.29 progress;
- Gender gap is minimal showing boys making 1.19 progress, compared to girls making 1.20 progress;
- Gifted and talented pupils make the greatest progress of 1.35.

Wixams Tree Primary

Local authority Key Stage 1 and phonics data shows Wixams Tree Primary at or above national and local benchmarks in all except Key Stage 1 writing. Comparisons are as follows:

- Year 1 Phonics is 91% (Local 80%, National 82%);
- End of Key Stage 1 Reading 75% (Local 72.6%, National 75%);
- End of Key Stage 1 Maths 80% (Local 72.7%, National 76%);
- End of Key Stage 1 Writing 55% (Local 65%, National 70%).

KEY PERFORMANCE INDICATORS

The Wixams community is relatively recently established and as such the community is still growing due to the release of new housing in the village. Therefore the two schools are expanding by one year group each year, for 2017/18 this meant that Wixams Academy had year group 7 only, whilst Wixams Tree primary had children on roll in year groups' reception, 1, 2 and 3.

Actual pupil numbers on roll in 2017/18 exceeded the planned number as follows:

School	Planned Pupil Numbers	Actual Pupil Numbers	Pupil Numbers Over
	2017/18	2017/18	Plan
Wixams Academy	100	121	21
Wixams Tree Primary	60	57	(3)
Total	160	178	18

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

GOING CONCERN

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

Financial review

The Trust Monitors the financial health of the organisation through the use of financial indicators, the plan and outturn position for 2017/18 are as follows:

Indicators	Outturn 2017/18 (a)	Trust Policy* (b)	Variance (a-b)	Budget 2017/18 (c)	Variance (a-c)
Enrolment numbers	178			160	18
Income (£'000)	1,874			1,483	391
Pay as % of income	42.9%	<70%	27.1%	52%	9.1%
Surplus	3.8%	3%	0.8%	19%	-15.2%
Cash	£395,849	£370,000	£25,849	£370,000	£25,849

*The Trust has set overriding principles for budget setting which is intended to ensure there is efficiency and financial resilience in the Trust's accounts.

Most of the income is obtained from the Education Skills and Funding Agency (ESFA) in the form of recurrent grants. The use of which is restricted to particular purposes. The grants from the ESFA and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2018, total expenditure of £1,353,549 (2017 - £212,380) (excluding depreciation) was covered by recurrent grant funding from the DfE together with other incoming resources and funds brought forward. The excess of income over expenditure for the year (excluding restricted fixed asset funds and transfers and actuarial losses) was a surplus of £60,111 (2017 surplus - £nil).

At 31 August 2018 the net book value of fixed assets was £404,262 (2017 - £61,068) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

The Local Government Pension Scheme for the Academy has a deficit which is detailed in note 20 to the financial statements.

RESERVES POLICY

The Trustees consider it prudent to hold reserves in the form of free reserves (this excludes amounts held in fixed assets or any restricted funds such as pupil premium or teaching alliance funds) of 3 months average income. This would equate to approximately £370,000 based on the Trust's 2017/18 income levels. The level of free reserves as at 31 August 2018 across the Trust currently stands at £85,000.

At this point in time the reserves would not be sufficient to meet this commitment without it being financially constraining to the Trust. The current level of reserves will be the equivalent of eleven weeks of income. Given the Trust includes two schools growing each year by an additional year group the target reserve level will increase each year. However it is estimated that the 3 month reserve level will be reached by 2019/20.

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TRUSTEES' REPORT (continued)
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The Trustees plan to grow their reserves to match the target level by 2019/20.

		£
Unrestricted		700
Restricted:	Fixed Asset Funds	452,144
	Pension Reserve	(19,000)
	Other	<u>85,411</u>
		<u>519,255</u>

INVESTMENT POLICY

The School's investment strategy is to:

- Regularly monitor cash flow and current and fund bank account balances to ensure immediate financial commitments can be met (payroll and payment runs) and that the accounts have adequate balances to meet forthcoming commitments;
- Only invest funds into risk free and immediately assessable deposit accounts.

PRINCIPAL RISKS AND UNCERTAINTIES

The major risks identified and addressed by the Board of Trustees during the year have included:

- Growing the Trust by a year group for both schools without disruption to the existing pupils;
- Ensuring the Leadership Teams have sufficient resource and skills to effectively lead and manage;
- Ensuring compliance with the Academies Financial Handbook;
- Ensuring compliance with legislative requirements.

Fundraising

Bedford College Academies Trust Ltd had no fundraising in the year.

Plans for future periods

As set out in the original plan the Trustees will continue to grow each school by a year group until they reach their planned pupil admission numbers.

Following local demand by the community the Trustees approved a pre-school for Wixams Tree Primary, opening the pre-school in September 2018 for 2+ year olds.

FUNDS HELD AS CUSTODIAN

No funds are held as custodian by Bedford College Academies Trust Ltd.

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TRUSTEES' REPORT (continued)
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DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 13 December 2018 and signed on its behalf by:



Ian Pryce
Chair of Trustees

BEDFORD COLLEGE ACADEMIES TRUST LTD
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

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

Trustee	Meetings attended	Out of a possible
Ian Pryce (Chair of Trustees)	5	5
Lesley Glover	4	5
Patricia Jones (Accounting Officer)	5	5
Mark Kiteley	5	5
Jasmin Masih	4	5
Christine O'Reilly	5	5
Kay Rodger	5	5
Gillian Scobie	4	5

There was no change in the Board's composition during the year to 31 August 2018. The Board's work plan covers a number of key areas including strategic direction, regulatory and legal compliance, delegation, monitoring of the performance of individual academies and scrutiny of financial performance.

The Board receives pupil performance data directly from the Principal and Head Teacher of the academies together with benchmarking data on pupil performance locally and nationally to provide benchmark information on performance. The Board receives financial information at each meeting reflecting the most current financial position for the schools and at the Trust level. This enables scrutiny of the financial position ensuring there is financial resilience for the Trust. The Board is conscious that as the Trust and pupil numbers grow they will review higher level data and detailed scrutiny of individual pupil performance will be monitored by the Local Advisory Bodies with summary reports provided to the Trust.

Governance Reviews

The Board carried out a self-evaluation exercise on the Board's performance at the end of the year, including assessment of its own effectiveness and any particular challenges that have arisen for the Board. Trustees were asked to respond to a series of competency based statements reflecting on strategic leadership and management oversight as well as board responsibilities. Trustees scored the effectiveness of the Board on each statement with a grade of 1 reflecting outstanding performance through to 4 reflecting inadequate performance. The majority of the scores given were grade 1 and 2 with no grade 4s and only a few grade 3s. Although the overall assessment was positive the Board always seeks to improve and will review further initiatives for improvement in 2018-2019. Areas of focus are included in the Trust's Governance Action Plan.

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GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

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

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

- Undertaking tendering exercises for procurement of goods and services;
- Annual budget planning and annual financial review;
- Analysis of pupil performance data and the efficiency of the curriculum provision and the construction of the timetable;
- Offering community use of school facilities.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

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GOVERNANCE STATEMENT (continued)

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However Patricia Jones, a Trustee, undertook the Academies financial management and governance self assessment and as this was the first year of operation basic checks were undertaken.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems;
- testing of purchase systems;
- testing of control account/ bank reconciliations.

Should there be emerging issues on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities the reviewer would report these to the Board of Trustees. During 2017/18 no items were reported to the Board.

REVIEW OF EFFECTIVENESS

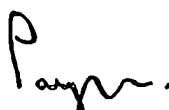
The Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

Approved by order of the members of the Board of Trustees on 13 December 2018 and signed on their behalf, by:



Ian Pryce
Chair of Trustees



Patricia Jones
Accounting Officer

BEDFORD COLLEGE ACADEMIES TRUST LTD
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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


Patricia Jones
Accounting Officer

Date: 13/12/2018

BEDFORD COLLEGE ACADEMIES TRUST LTD
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 13 December 2018 and signed on its behalf by:



Ian Pryce
Chair of Trustees

BEDFORD COLLEGE ACADEMIES TRUST LTD

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BEDFORD COLLEGE ACADEMIES TRUST LTD**

OPINION

We have audited the financial statements of Bedford College Academies Trust Ltd (the 'Academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

BEDFORD COLLEGE ACADEMIES TRUST LTD

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BEDFORD COLLEGE ACADEMIES TRUST LTD**

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

BEDFORD COLLEGE ACADEMIES TRUST LTD
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BEDFORD COLLEGE ACADEMIES TRUST LTD**

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

USE OF OUR REPORT

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



Rakesh Shaunak FCA (Senior statutory auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants

New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Date: 18 Dec 18

BEDFORD COLLEGE ACADEMIES TRUST LTD
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BEDFORD COLLEGE ACADEMIES TRUST LTD AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 9 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bedford College Academies Trust Ltd during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Bedford College Academies Trust Ltd and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Bedford College Academies Trust Ltd and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Bedford College Academies Trust Ltd and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF BEDFORD COLLEGE ACADEMIES TRUST LTD'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Bedford College Academies Trust Ltd's funding agreement with the Secretary of State for Education dated 21 April 2017, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

BEDFORD COLLEGE ACADEMIES TRUST LTD
(A company limited by guarantee)

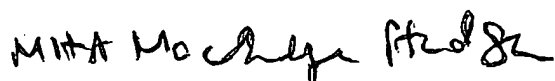
INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BEDFORD COLLEGE ACADEMIES TRUST LTD AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

The work undertaken to draw to our conclusion includes:

- Reviewing the minutes of meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- A review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- Testing a sample of payroll payments to staff;
- Testing of a sample of payments to suppliers and other third parties;
- Testing a sample of grants received and other income streams;
- Evaluating the internal control procedures and reporting lines, and testing as appropriate;
- Making appropriate enquiries of the Accounting Officer.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



MHA MacIntyre Hudson

Chartered Accountants

New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Date: 18 Dec 18

BEDFORD COLLEGE ACADEMIES TRUST LTD**(A company limited by guarantee)****STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	-	-	460,137	460,137	-
Charitable activities: Funding for the Academy Trust's educational operations	3	-	1,412,960	-	1,412,960	212,380
Other trading activities	4	700	-	-	700	-
TOTAL INCOME		700	1,412,960	460,137	1,873,797	212,380
EXPENDITURE ON:						
Charitable activities: Academy Trust educational operations		-	1,353,549	89,061	1,442,610	212,380
TOTAL EXPENDITURE	5	-	1,353,549	89,061	1,442,610	212,380
NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		700	59,411	371,076	431,187	-
Actuarial gains on defined benefit pension schemes	20	-	7,000	-	7,000	-
NET MOVEMENT IN FUNDS		700	66,411	371,076	438,187	-
RECONCILIATION OF FUNDS:						
Total funds brought forward		-	-	81,068	81,068	81,068
TOTAL FUNDS CARRIED FORWARD		700	66,411	452,144	519,255	81,068

BEDFORD COLLEGE ACADEMIES TRUST LTD
(A company limited by guarantee)
REGISTERED NUMBER: 07652552

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Intangible assets	12		14,164		20,000
Tangible assets	13		404,262		61,068
			<u>418,426</u>		<u>81,068</u>
CURRENT ASSETS					
Debtors	14	125,959		73,835	
Cash at bank and in hand		395,849		165,191	
		<u>521,808</u>		<u>239,026</u>	
CREDITORS: amounts falling due within one year	15	(401,979)		(239,026)	
NET CURRENT ASSETS			<u>119,829</u>		<u>-</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>538,255</u>		<u>81,068</u>
Defined benefit pension scheme liability	20		(19,000)		-
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>519,255</u>		<u>81,068</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	16	85,411		-	
Restricted fixed asset funds	16	452,144		81,068	
		<u>537,555</u>		<u>81,068</u>	
Restricted funds excluding pension liability					
Pension reserve		(19,000)		-	
		<u></u>		<u></u>	
Total restricted funds			518,555		81,068
Unrestricted income funds	16		700		-
TOTAL FUNDS			<u>519,255</u>		<u>81,068</u>

The financial statements on pages 20 to 44 were approved by the Trustees, and authorised for issue, on 13 December 2018 and are signed on their behalf, by:


Ian Pryce
Chair of Trustees

BEDFORD COLLEGE ACADEMIES TRUST LTD
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	18	196,940	246,259
Cash flows from investing activities:			
Purchase of tangible fixed assets		(426,419)	(81,068)
Capital grants from DfE Group		460,137	-
Net cash provided by/(used in) investing activities		33,718	(81,068)
Change in cash and cash equivalents in the year		230,658	165,191
Cash and cash equivalents brought forward		165,191	-
Cash and cash equivalents carried forward	19	395,849	165,191

BEDFORD COLLEGE ACADEMIES TRUST LTD
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Bedford College Academies Trust Ltd constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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.

BEDFORD COLLEGE ACADEMIES TRUST LTD
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of 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.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

Donations

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

Other income

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

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

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

Expenditure on charitable activities are costs incurred on the Academy's educational operations, including support costs and those costs relating to the governance of the Academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Intangible fixed assets and amortisation

Intangible assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and 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 incorporating income and expenditure account.

BEDFORD COLLEGE ACADEMIES TRUST LTD
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.8 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.9 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.11 Taxation

The Academy 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 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.

1.12 Pensions

BEDFORD COLLEGE ACADEMIES TRUST LTD

(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.13 Fund accounting

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

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

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

BEDFORD COLLEGE ACADEMIES TRUST LTD
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.14 Critical accounting estimates and areas of judgment

Estimates and judgments 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 20, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Grants	-	460,137	460,137	-

BEDFORD COLLEGE ACADEMIES TRUST LTD
(A company limited by guarantee)

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

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,046,408	1,046,408	-
Other DfE/ESFA grants	-	300,467	300,467	212,380
	-	1,346,875	1,346,875	212,380
Other government grants				
Local authority grants	-	29,472	29,472	-
Other grants	-	22,552	22,552	-
	-	52,024	52,024	-
Other funding				
Trip income	-	3,359	3,359	-
Other income	-	10,702	10,702	-
	-	14,061	14,061	-
	-	1,412,960	1,412,960	212,380
Total 2017	-	212,380	212,380	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	700	-	700	-

BEDFORD COLLEGE ACADEMIES TRUST LTD
(A company limited by guarantee)

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

5. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Educational operations:					
Direct costs	653,132	-	153,138	806,270	-
Support costs	151,050	151,395	333,895	636,340	212,380
	<u>804,182</u>	<u>151,395</u>	<u>487,033</u>	<u>1,442,610</u>	<u>212,380</u>
Total 2017	<u>148,106</u>	<u>-</u>	<u>64,274</u>	<u>212,380</u>	

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational operations	806,270	636,340	1,442,610	212,380
Total 2017	<u>-</u>	<u>212,380</u>	<u>212,380</u>	

Analysis of support costs

	2018 £	2017 £
Support staff costs	151,050	148,106
Depreciation	89,061	-
Technology costs	38,064	-
Premises costs	125,316	228
Other support costs	220,649	56,046
Governance costs	12,200	8,000
Total	<u>636,340</u>	<u>212,380</u>

BEDFORD COLLEGE ACADEMIES TRUST LTD
(A company limited by guarantee)

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

7. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	83,225	-
Amortisation of intangible fixed assets	5,836	-
Auditors' remuneration - audit	9,100	-
Auditors' remuneration - other services	1,000	-
	<u> </u>	<u> </u>

BEDFORD COLLEGE ACADEMIES TRUST LTD
(A company limited by guarantee)

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

8. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	652,106	115,405
Social security costs	57,657	13,974
Operating costs of defined benefit pension schemes	94,419	18,727
	<u>804,182</u>	<u>148,106</u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	10	-
Administration and support	7	-
Management	4	2
	<u>21</u>	<u>2</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £70,001 - £80,000	1	1

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £305,685 (2017 - £146,334).

BEDFORD COLLEGE ACADEMIES TRUST LTD
(A company limited by guarantee)

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

9. CENTRAL SERVICES

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

- Administration salaries
- Professional services (clerking)

The Academy charges for these services on the following basis:

4% of GAG funding.

Central services have been charged from 1 September 2017.

The actual amounts charged during the year were as follows:

	2018 £	2017 £
Wixams academy	85,759	-
Wixams tree primary school	107,506	-
Total	<u>193,265</u>	<u>-</u>

10. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

	2018 £	2017 £
P Spyropoulos	70,000-75,000	
Pension contributions paid	5,000-10,000	

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £NIL to Trustees).

11. TRUSTEES' AND OFFICERS' INSURANCE

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

BEDFORD COLLEGE ACADEMIES TRUST LTD
(A company limited by guarantee)

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

12. INTANGIBLE FIXED ASSETS

	Computer software £
Cost	
At 1 September 2017 and 31 August 2018	20,000
Amortisation	
At 1 September 2017	-
Charge for the year	5,836
At 31 August 2018	5,836
Carrying amount	
At 31 August 2018	14,164
At 31 August 2017	20,000

13. TANGIBLE FIXED ASSETS

	Plant and equipment £
Cost	
At 1 September 2017	61,068
Additions	426,419
At 31 August 2018	487,487
Depreciation	
At 1 September 2017	-
Charge for the year	83,225
At 31 August 2018	83,225
Net book value	
At 31 August 2018	404,262
At 31 August 2017	61,068

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NOTES TO THE FINANCIAL STATEMENTS
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14. DEBTORS

	2018 £	2017 £
Trade debtors	2,429	-
Other debtors	37,939	12,767
Prepayments and accrued income	85,591	61,068
	<u>125,959</u>	<u>73,835</u>

15. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	218,113	69,200
Other taxation and social security	14,749	10,824
Other creditors	16	-
Accruals and deferred income	169,101	159,002
	<u>401,979</u>	<u>239,026</u>

	2018 £	2017 £
Deferred income		
Resources deferred during the year	112,835	-
Deferred income at 31 August 2018	<u>112,835</u>	<u>-</u>

At the balance sheet date the Academy Trust was holding funds received in advance of £112,835 relating to General Annual Grant, school fund, uniform income, capital grants, which relate to the 2018/19 academic year.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/(out) £	Gains £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds - all funds	-	700	-	-	-	700
Restricted funds						
General Annual Grant (GAG)	-	1,046,408	(962,176)	-	-	84,232
Other ESFA/DfE Funding	-	300,467	(300,467)	-	-	-
LA Funding	-	29,472	(28,293)	-	-	1,179
Miscellaneous Restricted	-	33,254	(33,254)	-	-	-
Parental Contributions	-	3,359	(3,359)	-	-	-
Pension reserve	-	-	(26,000)	-	7,000	(19,000)
	-	1,412,960	(1,353,549)	-	7,000	66,411
Restricted fixed asset funds						
ESFA Capital Grants - Unspent	-	259,268	-	(225,550)	-	33,718
Other Capital Grants - Unspent	-	200,869	-	(200,869)	-	-
ESFA Capital Grants - Spent	81,068	-	(60,555)	225,550	-	246,063
Other Capital Grants - Spent	-	-	(28,506)	200,869	-	172,363
	81,068	460,137	(89,061)	-	-	452,144
Total restricted funds	81,068	1,873,097	(1,442,610)	-	7,000	518,555
Total funds	81,068	1,873,797	(1,442,610)	-	7,000	519,255

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

Restricted fixed asset funds amounting to £418,262 will be reserved against future depreciation charges. The remaining £33,718 relates to unspent capital grants, which will be used to enhance the Academy Trust's facilities.

Restricted general funds will be used for educational purposes in line with the Academy Trust's objects and its funding agreement with the ESFA.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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

16. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Wixams academy	(6,081)	-
Wixams tree primary school	(21,063)	-
Bedford College Academies Trust	113,255	-
Total before fixed asset fund and pension reserve	<u>86,111</u>	
Restricted fixed asset fund	452,144	81,068
Pension reserve	(19,000)	
Total	<u><u>519,255</u></u>	<u><u>81,068</u></u>

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2018 £	Total 2017 £
Wixams Academy	198,688	316,533	36,531	282,257	834,009	-
Wixams Tree Primary School	126,780	51,756	33,788	191,385	403,709	-
Bedfordshire College Academies Trust Ltd	-	7,493	-	108,338	115,831	-
	<u>325,468</u>	<u>375,782</u>	<u>70,319</u>	<u>581,980</u>	<u>1,353,549</u>	

STATEMENT OF FUNDS - PRIOR YEAR

Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/(out) £	Gains £	Balance at 31 August 2017 £
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

16. STATEMENT OF FUNDS (continued)

Restricted funds

Other ESFA/DfE Funding	-	212,380	(212,380)	-	-	-
	-	212,380	(212,380)	-	-	-
Restricted fixed asset funds						
ESFA Capital Grants - Unspent	-	81,068	-	(81,068)	-	-
ESFA Capital Grants - Spent	-	-	-	81,068	-	81,068
	-	81,068	-	-	-	81,068
Total restricted funds	-	293,448	(212,380)	-	-	81,068
Total funds	-	293,448	(212,380)	-	-	81,068

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/(out) £	Gains £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds - all funds	-	700	-	-	-	700
Restricted funds						
General Annual Grant (GAG)	-	1,046,408	(962,176)	-	-	84,232
Other ESFA/DfE Funding	-	512,847	(512,847)	-	-	-
LA Funding	-	29,472	(28,293)	-	-	1,179
Miscellaneous Restricted	-	33,254	(33,254)	-	-	-
Parental Contributions	-	3,359	(3,359)	-	-	-
Pension reserve	-	-	(26,000)	-	7,000	(19,000)
	-	1,625,340	(1,565,929)	-	7,000	66,411

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

Restricted fixed asset funds

ESFA Capital Grants - Unspent	-	340,336	-	(306,618)	-	33,718
Other Capital Grants - Unspent	-	200,869	-	(200,869)	-	-
ESFA Capital Grants - Spent	-	-	(60,555)	306,618	-	246,063
Other Capital Grants - Spent	-	-	(28,506)	200,869	-	172,363
	-	541,205	(89,061)	-	-	452,144
Total Restricted funds	-	2,166,545	(1,654,990)	-	7,000	518,555
Total funds	-	2,167,245	(1,654,990)	-	7,000	519,255

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Intangible fixed assets	-	-	14,164	14,164
Tangible fixed assets	-	-	404,262	404,262
Current assets	4,070	484,020	33,718	521,808
Creditors due within one year	(3,370)	(398,609)	-	(401,979)
Pension scheme liability	-	(19,000)	-	(19,000)
	700	66,411	452,144	519,255

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Intangible fixed assets	-	-	20,000	20,000
Tangible fixed assets	-	-	61,068	61,068
Current assets	-	239,026	-	239,026
Creditors due within one year	-	(239,026)	-	(239,026)
	-	-	81,068	81,068

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

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	431,187	-
Adjustment for:		
Depreciation charges	89,061	-
Increase in debtors	(52,124)	(73,835)
Increase in creditors	162,953	320,094
Capital grants from DfE and other capital income	(460,137)	-
Defined benefit pension scheme cost less contributions payable	25,000	-
Defined benefit pension scheme finance cost	1,000	-
Net cash provided by operating activities	196,940	246,259

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	395,849	165,191
Total	395,849	165,191

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

20. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Bedfordshire Borough Council. Both are Multi-employer defined benefit pension schemes.

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £69,418 (2017 - £18,727).

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**NOTES TO THE FINANCIAL STATEMENTS
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20. PENSION COMMITMENTS (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £35,000 (2017 - £nil), of which employer's contributions totalled £27,000 (2017 - £nil) and employees' contributions totalled £8,000 (2017 - £nil). The agreed contribution rates for future years are 22.8% for employers and 5.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	- %
Expected return on scheme assets at 31 August	2.80 %	- %
Rate of increase in salaries	2.60 %	- %
Rate of increase for pensions in payment / inflation	2.30 %	- %

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

	2018	2017
Retiring today		
Males	22.4 years	
Females	24.5 years	
Retiring in 20 years		
Males	24.0 years	
Females	26.2 years	

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
0.5% decrease in real discount rate	8,000	-
0.5% increase in pension increase rate	8,000	-

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NOTES TO THE FINANCIAL STATEMENTS
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20. PENSION COMMITMENTS (continued)

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	20,880	-
Corporate bonds	5,040	-
Property	3,240	-
Cash and other liquid assets	6,840	-
	<hr/>	<hr/>
Total market value of assets	36,000	-
	<hr/>	<hr/>

The actual return on scheme assets was £1,000 (2017 - £nil).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Interest cost	(1,000)	-
Current service cost	(52,000)	-
	<hr/>	<hr/>
Total	(53,000)	-
	<hr/>	<hr/>

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

	2018 £	2017 £
Current service cost	52,000	-
Interest cost	1,000	-
Employee contributions	8,000	-
Actuarial gains	(6,000)	-
	<hr/>	<hr/>
Closing defined benefit obligation	55,000	-
	<hr/>	<hr/>

Movements in the fair value of the Academy's share of scheme assets:

	2018 £	2017 £
Actuarial losses	1,000	-
Employer contributions	27,000	-
Employee contributions	8,000	-
	<hr/>	<hr/>
Closing fair value of scheme assets	36,000	-
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS
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21. 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 year after he/she ceases to be a member, such amount as may be required, not exceeding £ 10 for the debts and liabilities contracted before he/she ceases to be a member.

22. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year the Academy Trust was charged £163,105 by Bedford College.