

BISHOPSHALT SCHOOL

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

BISHOPSHALT SCHOOL**(A Company Limited by Guarantee)**

CONTENTS

	Page
Reference and administrative details	1 – 2
Trustees' report	3 – 14
Governance statement	15 – 17
Statement on regularity, propriety and compliance	18
Statement of trustees' responsibilities	19
Independent auditor's report on the financial statements	20 – 22
Independent reporting accountant's report on regularity	23 – 24
Statement of financial activities incorporating income and expenditure account	25
Balance sheet	26
Statement of cash flows	27
Notes to the financial statements	28 – 53

BISHOPSHALT SCHOOL
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

Mr Andrew Brown
Mr Peter Coombs
Ms Lydia Holland
Mr Peter Underwood

Trustees

Mr Abdi Abby
Ms Tahira Ansari
Ms Gail Bond
Mr Lyndon Bray
Mr Andrew Brown (Chair)
Ms Michelle Brown
Mr Peter Coombs
Mr Michael Deighton (Staff Trustee)
Ms Lydia Holland
Dr William Leahy
Ms Nancy Rawlings
Mr Kim Rowe (Headteacher and Accounting Officer)
Ms Julie Spikings (Appointed 1 Sept 2017)
Ms Nickki St Paul
Mr Peter Underwood
Mr Stephen White (Appointed 1 Sept 2017)

Company Secretary

Mrs Irene Warnock

Senior Management Team

Mr Kim Rowe	Headteacher
Mrs Jane King	First Deputy Headteacher - Guidance and Welfare
Mr Nigel Cockcroft	Second Deputy Headteacher - Raising Achievement and Key Stage 4
Miss Clare Berry	Assistant Headteacher - Teaching and Learning
Miss Suzanne Duff	Assistant Headteacher - Key Stage 3
Mr Philip Harris	Assistant Headteacher - Sixth Form
Mr Richard Hickson	Assistant Headteacher - Curriculum
Mrs Jenni Denial	Associate Assistant Headteacher
Mr David Reyner	Associate Assistant Headteacher
Mrs Irene Warnock	Director of Finance and Business Management
Mrs Zena Bermingham	Office Manager/PA to Headteacher
Mr Michael Deighton	Staff trustee and teacher

Company Name

Bishopshalt School

Principal and Registered Office

Royal Lane, Hillingdon, Uxbridge, UB8 3RF

BISHOPSHALT SCHOOL
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Company Registered Number

07799811 (England & Wales)

Independent Auditor

MHA MacIntyre Hudson, Abbey Place, 24 - 28 Easton Street, High Wycombe, Buckinghamshire, HP11 1NT

Bankers

HSBC Bank plc, West London Corporate Centre, 53-55 Uxbridge Road, Ealing, London W5 5SA

Solicitors

Winkworth Sherwood LLP, Minerva House, 5 Montague Close, London, SE1 9BB

BISHOPSHALT SCHOOL
(A Company Limited by Guarantee)

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

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 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 trust operates an academy for pupils aged 11 to 19 serving a catchment area in Hillingdon, Middlesex. It has a pupil capacity of 1311 and had a roll of 1299 in the school census on 5 October 2018.

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 are the primary governing documents of the Academy Trust.

The trustees of Bishopshalt School Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as Bishopshalt School.

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

Members' Liability

Each member of the charitable company 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

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £26,720.

Method of Recruitment and Appointment or Election of Trustees

The Articles of Association state that the Academy shall have the following Governors:

- Up to four Community Governors, appointed by the Governing Body
- Up to four Staff Governors, but comprising no more than one-third of the total Governing Body, appointed by the Governing Body
- Up to five Partnership Governors, appointed by the Governing Body
- The Headteacher, ex officio
- Up to seven Parent Governors, but no less than two, appointed by the Governing Body, if the number of parents standing is less than the number of vacancies, but, otherwise, elected by the parents of registered pupils
- Up to three Co-opted Governors (which may include Staff, so long as the total number of Staff members does not exceed one-third of the total Governing Body), appointed by the Governing Body

The Governing Body makes all necessary arrangements for an election of Parent Governors, including ensuring that all persons entitled to vote have an opportunity to do so.

Staff Governors are elected by a secret ballot of all staff employed by the Academy.

The first Parent Governors and Staff Governors were those that filled these positions on the Governing Body of the predecessor School at its closure.

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

Policies and Procedures Adopted for the Induction and Training of Trustees

All new Governors are subject to DBS checks as part of their acceptance to the Governing Body and are required to complete a declaration of business interests.

On appointment new Governors are sent copies of the minutes of the last round of committee and full Governor meetings. They are also invited to attend as many of the meetings in the next round as they can manage before making their decision about which committees best suit their interests and experiences.

After the first term, new Governors are encouraged to have a link to one of the faculties or areas of responsibility and to follow the established pattern of three visits a year to that link.

All Governors are encouraged and supported to attend on-going training appropriate to their chosen committees. This could be training accessible on-line, provided by the Local Authority or provided by commercial organisations. In addition, all Governors are invited to in-house training and development provided by specialists on the Academy's staff. Link-Governors can also receive support and training from their link-teachers to enable them to have a fuller understanding of the issues relating to their faculty or area of specialism.

Organisational Structure

The Governing Body recognises that it would be impracticable to undertake all day to day activities itself in discharging its responsibilities, and therefore it is necessary for it to delegate some of its functions to Committees and to the Headteacher, who is also the Accounting Officer.

For all practical purposes, day to day management is undertaken by the Headteacher and the rest of the Senior Leadership Team.

The Governing Body itself, or through its Committees, maintains a close oversight of all activities of the Academy, including:

- Pupil Admissions
- Academic Achievement and Standards
- Premises and the Learning Environment
- Pupil Personal Development and Well-being
- Pupil Discipline
- Staffing and Salaries
- General Leadership and Management
- Finance

Members of the Board of Governors also sit on Panels covering:

- Senior Management Appointments
- Pupil Admissions Appeals
- Pupil Disciplinary
- Staff Grievance
- Staff Disciplinary

Any proposed financial transactions with a value in excess of £50,000 must be signed-off by the Chair of the Governing Body or another Governor given express authority by the Chair to act in his/her absence. Any such decisions are subject to subsequent ratification by the Board of Governors.

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

Arrangements for setting pay and remuneration of key management personnel

Teaching Staff

Teaching staff at Bishopshalt School, including members of the Senior Leadership Team, follow the pay scales outlined in the Teachers Pay and Condition document. Any pay award is based on performance management and recommended by the Headteacher for the approval of the Governing Body. Any pay award for the Headteacher follows performance management carried out by the Chair of Governors and approved by the Governing Body.

Support Staff

Support staff at Bishopshalt School, including members of the Senior Leadership Team, follow the pay scales for The London Borough of Hillingdon. Any pay award is based on performance management and recommended by the Headteacher for the approval of the Governing Body.

Trade Union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period

Full-time equivalent employee number 1

Percentage of time spent on facility time 0%

Percentage of time 0%

Number of employees FTE 148

Percentage of pay bill spent on facility time 0%

Provide the total cost of facility time £0

Provide the total pay bill Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100 =0%

Paid trade union activities 0

Time spent on paid trade union activities such as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100 =0

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

Related Parties and other Connected Charities and Organisations

The Trustees, having made suitable enquiries, are not aware of any other related party matters.

OBJECTIVES AND ACTIVITIES

Objects and Aims

Our commitment to being a self-improving school. We believe our desire to improve and our work in evaluating our performance and setting ourselves targets at which to aim, are fundamental to improving the quality of the experience and outcomes for our students.

Learning and Teaching. At the centre of all action, improvement and development planning is the focus on the learning of the students across all key stages and of students of all abilities. The improvement in the quality of teaching and, as a result, learning is monitored and evaluated through the school's rigorous self-evaluation and is central to the development of all our students in every lesson that they are taught. This is the key focus of our leadership and management activity.

The main characteristics of the Academy, as a secondary school and as set down in its Funding Agreement with the Secretary of State for Education, are, as follows:

- The School has a balanced and broadly based curriculum satisfying the requirements of section 78 of the Education Act 2002
- Its curriculum has an emphasis on Music and the Performing Arts
- It provides education for pupils of different abilities
- It provides education for pupils who are wholly or mainly drawn from the area in which it is situated

The over-arching, medium-term aim is to move from an Ofsted grading of Good to Outstanding.

Outcomes for Pupils

School Results	
Progress 8	-0.04
9-4 in English and Maths	72%
9-5 in English and Maths	48%
Attainment 8 Score	49.41
% Achieving EBACC 9-4	36.1%
% Achieving EBACC 9-5	24%
DfE	
L3VA (A Level)	0.06
L3VA (Academic)	0.06
L3VA (Applied General)	0.27

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

Objects and Aims (continued)

Teaching, Learning and Assessment

- Raise the quality of teaching across the whole school to at least 90% good and 35% outstanding in order to impact on outcomes for all students.
- Continue to develop teachers' commitment to developing RWCM across all subjects and key stages, particularly Numeracy.

Personal Development, Behaviour and Welfare

- Continue to develop opportunities for students to broaden their experiences of SMSC
- Further develop opportunities for and promote participation of all students in a rich curriculum
- Continue the work of the Safeguarding Core group and development of GB expertise
- Continue to develop the impact of the Focus Room

Leadership and Management

- Further develop the use of appraisal and pay progress to motivate and incentivise staff to maximise student outcomes, by building ML capacity to hold staff to account
- Continue to develop analysis of DA data in order to direct funds more effectively and impact on student outcomes better
- Manage the work of the safeguarding team (particularly to CSE and the Prevent Duty) and further develop safeguarding Governor.
- Build on outcomes of the GB skills audit and self-review

Premises, Finance and the Learning Environment

- Maintain financial viability
- Maintain comprehensive Health & Safety Policies and Procedures
- Develop a whole-School strategy for ICT
- Produce a detailed Critical Incident and Business Continuity Management Policy and Plans
- Develop an integrated recording system to account for/report on the utilisation of PP funding.

The plan is reviewed on a regular basis and updated to record activities to date and the progress made in meeting the various objectives.

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

Public Benefit

The Trustees of the Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The activities undertaken to further the Academy Trust's purpose for the Public Benefit include:

- Providing free, state, secondary education to pupils, from year-seven to year-thirteen; and
- Allowing local community groups and organisations to use its facilities, outside core school time, at concessionary rates of charge.

STRATEGIC REPORT

Achievements and Performance

Notable achievements during the year were:

Key Stage 4 pupils

- % ACEM 72%
- Attainment 8 49.41
- % Achieving EBacc 36%

Other

- Maintenance of a strong financial position
- National and regional successes, reflected in awards for Performing Arts, Young Enterprise and Design, amongst others.

Key Performance Indicators

The Academy's key financial performance indicators for the year were:

- A year-end, combined balance of Restricted General Funds and Unrestricted Income Funds, equivalent to at least 2% of total, annual incoming resources (excluding capital) - achieved 3%
- Maintenance of a cash balance equivalent to at least one-month's expended resources (excluding capital) – year-end balance was equivalent to 0.6 months
- Maintenance of a Solvency Ratio (Current Assets to Current Liabilities) of at least 2:1 – year-end position was 1.75:1

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 trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Bishopshalt School, like so many other schools, is facing financial challenges. Over the last few years the school has funded pay increases for teachers and support staff together with increases in on costs with no additional income. This has resulted in the school using the small surplus it has accumulated to pay basic running costs rather than fund new initiatives or additional student support services. The school has already reduced much of its regular expenditure including: repairs and maintenance, staff training, curriculum resources, support staff costs, professional fees, IT expenditure and contributions to music and other performing arts costs. The school must now turn its attention to reducing teacher headcount, by natural wastage, which will impact on the diversity of provision we offer our students.

In 2018/19 the school has set a deficit budget for the year with a year-end prediction of £38,000.

FINANCIAL REVIEW

The Statement of Financial activities on page 21 splits income and expenditure between:

- Restricted Funds – which represent operating income and expenditure in the year
- Restricted Fixed Assets Funds – which represents capital expenditure and depreciation
- Unrestricted Funds – which represent income generated by the school such as income from lettings and catering

The term 'restricted' simply refers to financial transactions in the furtherance of the schools stated objectives. There are other 'unrestricted' financial transactions.

The Restricted and Unrestricted Funds representing operating income and expenditure in the year include:

- Expenditure costs are split between staff costs of £6,759,455, non-capital premises costs of £330,948 and other costs such as curriculum related expenditure, energy, catering and professional fees of £1,820,200. This is equal to the total expenditure of £8,910,603.
- £350,000 of pension actuarial gain, a change in actuarial assumptions (see notes 22)

Operational restricted fund expenditure excluding pension costs exceeds corresponding income in the year by £449,494. After material pension costs of £171,000 are included, the expenditure exceeds the income by £620,494.

Although student numbers had increased in the Sixth Form the increase in funding was offset by a reduction in APWU for each student in Year 7-11 and other changes in the funding formula. In addition, employment costs continue to increase due to pay progression.

Despite increased Sixth Form numbers, full student numbers in Year 7-11 and other on-going cost saving initiatives, the financial climate continues to be tight for the school due to increasing costs per employee at a time of decreasing funding per student. The school had set an in-year deficit budget covered by the reserves held.

BISHOPSHALT SCHOOL
(A Company Limited by Guarantee)

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

FINANCIAL REVIEW (continued)

The restricted fixed asset fund on Page 21 show income of £28,688 received from the EFSA for capital projects for IT, furniture, transport and buildings. The school contributed additional funds of £10,617 from the budget to meet the capital demands of the school.

The Trustees and the school Senior Leadership Team regularly review actual expenditure during the year against budget. They have also forecast income and expenditure for the school over the next 3 years to plan and organise resources most effectively to fulfil the aims of the school. They seek to manage financial cash flows so as to ensure that at any point in time the school has sufficient contingency within its reserves and bank balance to meet, within reason, any unexpected expenditure such as one-off maintenance work costs, however, this is becoming increasingly more challenging.

Assuming that the school cannot sell its fixed assets and that the cash flow impact of the pension scheme liability is spread over many years, it is the net current assets, £261,788 (2017: £705,092), which are most important to monitor and manage over the short to medium term in order to ensure the school has sufficient financial resources to operate on a day to day basis and that it has a sufficient contingency of available reserves to meet any unexpected one-off costs.

Reserves Policy

The Board of Trustees believe that it is prudent financial planning practice for the Academy to maintain a minimum level of combined General Fund Reserve and Unrestricted Income Fund Reserve at all times and has established a Key Performance Indicator in this regard (see above).

At 31 August 2018 the Academy's total funds comprised:

Unrestricted		128,270
Restricted:	Fixed asset funds	19,181,535
	GAG	0
	Pension reserve	(1,952,000)
	Other	502,891
		<u>£17,860,696</u>

As already mentioned, the deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers' scheme, separate assets are held to fund future liabilities, as disclosed in note 22. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Trustees. The aim of the Trustees is to increase this reserve to meet future working capital requirements.

Investment Policy

The Academy's prime objective with regard to its investments is, as far as possible, to have security over the capital sum and thus, particularly in these uncertain times, it adopts a very cautious approach. Surplus cash balances are placed on the Money Market, through its bankers, either on Call Account or three-month term deposit.

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

Principal Risks and Uncertainties

The principal risks facing the Academy are:

- Reputational risk – mitigated by the consistent adherence to sound policies and procedures, surrounding pupil behaviour, safety and academic performance
- Performance risk – mitigated by careful target setting, close monitoring of progress and intervention strategies
- Financial risk – The principal financial risks are a reduction in central government funding, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs. The risks presented here are mitigated by prudent budgeting and three-year financial planning, including buildings maintenance, with analysis of 'sensitivities' and close monitoring of financial performance on a monthly basis, with timely remedial action, where required
- Risks associated with personnel – mitigated by sound performance management processes, together with comprehensive policies and procedures to cover potential problem areas, such as disciplinary and grievance

The Academy Trust practices through its Board, namely the Governing Body and the constituted subcommittees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by senior executive officers.

FUNDRAISING

The school does not fund raise in the traditional sense and only a small amount is generated from the Friends of Bishopshalt School circa £4,000 pa.

The school does not use any commercial fundraising partners or professionals

Students at the school do fundraise for other registered charities by activities such as non-uniform days and cake sales and all monies raised are sent to the relevant charity

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

PLANS FOR FUTURE PERIODS

Given the high level of unsatisfied demand for Year 7 places at the Academy and the Local Authority's demographic data, which show increasing numbers of secondary-age pupils, from 2018, onwards, the Academy has been in discussions with the London Borough of Hillingdon, with regard to a possible increase in forms of entry, from six to eight. They have indicated that although there will be a need for expansion of some schools in the future their plans do not include any expansion at Bishopshalt.

The Academy has already had to resort to hiring-in temporary classrooms, to help meet accommodation requirements imposed by curriculum developments and the growth in sixth-form numbers. These will need to be replaced with permanent buildings in due course, alongside any additional accommodation necessary to meet the needs of pupils. An area of particular need is a replacement Sports Hall. The school's current sports hall was part of the original building and fall far short of the needs of 21st Century sports facilities. The school is looking to raise funds for a new building but at an estimated cost of £2.4m it is a huge task. A CIF application is planned for 2019.

The Trustees and Senior Leadership Team have established a three-year financial plan, which anticipates the likely reductions in real-terms funding. The resulting financial pressures have been made even more acute by the government's decisions to increase employers' contributions to Teachers' Pensions in 2019/20. This plan demonstrates the need to further reduce operating costs, through efficiency gains and careful analysis, together with even greater use of market testing, especially in the case of supply and service contracts, as they come up for renewal. In 2012, the Academy embarked on a journey described as 'The Path to Outstanding' outlined in the Improvement Plan and this is continuing.

AUDITOR

In so far as the trustees are aware:

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

This Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 12 December 2018 and signed on the board's behalf by:

.....
Mr Andrew Brown
Chair of Trustees

BISHOPSHALT SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

SCOPE OF RESPONSIBILITY

As trustees we acknowledge we have overall responsibility for ensuring that Bishopshalt School 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 Headteacher 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 Bishopshalt School 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 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governors Attendance 2017/18	Meetings attended	Out of a possible
Trustees / Governors		
Mr Abdi Abby	2	3
Ms Tahira Ansari	1	3
Ms Gail Bond	3	3
Mr Lyndon Bray	3	3
Mr Andrew Brown (Chair) - Member	3	3
Ms Michelle Brown	0	3
Mr Peter Coombs Member	3	3
Mr Michael Deighton (Staff Trustee)	0	3
Ms Lydia Holland Member	2	3
Dr William Leahy	2	3
Ms Nancy Rawlings	2	3
Mr Kim Rowe (Headteacher and Accounting Officer)	3	3
Ms Julie Spikings	3	3
Mrs Nikki St Paul	2	3
Mr Peter Underwood Member	2	3
Mr Stephen White	0	3

BISHOPSHALT SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

GOVERNANCE (continued)

Governors Attendance 2017/18	Meetings attended	Out of a possible
Finance Committee		
Peter Coombs	3	3
Kim Rowe	3	3
Andrew Brown	3	3
Peter Underwood	2	3
Mike Deighton	0	3
Lydia Holland	3	3
Leadership and Management Committee		
Lydia Holland	3	3
Kim Rowe	3	3
Gail Bond	2	3
Lyndon Bray	2	3
Andrew Brown	2	3
Mike Deighton	0	3
Julie Spikings	2	3
Nikki St Paul	3	3
Peter Underwood	2	3
Achievement and Standards Committee		
Gail Bond	2	3
Kim Rowe	3	3
Tahira Anari	3	3
Lydia Holland	3	3
Nikki St Paul	0	3
Julie Spikings	2	3
Peter Underwood	2	3
Personal Development & Wellbeing		
Abdi Abby	0	3
Gail Bond	2	3
Andy Brown	1	3
Kim Rowe	3	3
Peter Underwood	3	3
Stephen White	1	3

The main focus for Trustees in 2017/18 continued to be student attainment and progress, a fit for purpose and a safe learning environment and financial security.

In order to undertake their duties, trustees have access to a wide range of information and data including:

- financial accounts
- student academic achievement and progress
- student attendance
- SEND
- staff performance management
- the maintenance of the premises
- health and safety
- wider school achievement in sport, performing arts and social responsibility.

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

GOVERNANCE (continued)

Each committee is fully briefed by the staff lead for each area after which time is spent on discussion and questions. The main points are then brought to the Full Governing Body where there are opportunities for further discussion and questions.

Trustees find the information they receive clear and concise enabling them to undertake their role with confidence. The latest OFSTED Report states "Governors are provided with summaries of pupils' progress which they use to challenge leaders..."

Trustees review their performance during the year using the information received from the audit undertaken in 2016/17.

Each trustee is linked to a curriculum area and encouraged to visit the school regularly to meet staff and students during lessons and at break times. Trustees also attend school functions including Prize Day, School Shows, Remembrance Day Services and the Christmas Carol Concert.

REVIEW OF VALUE FOR MONEY

As accounting officer, the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Academic initiatives, including maximising the use of teacher's second subject teaching and effectively using part time staff
- Review and re-negotiation of contracts covering reprographics, energy, and IT procurement
- Market testing of other supplies of goods and services
- Improved marketing of 'lettings' business
- Changes in some suppliers and introduction of new products and services, bringing improvements in turnover and profitability of in-house catering business
- Benchmarking, using the Education.Gov.UK website and data derived from the Academy Finance Directors' Forum.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

CAPACITY TO HANDLE RISK

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Finance and 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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint MHA MacIntyre Hudson as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. Three times a year, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. In the opinion of the Board of Trustees the internal auditor has delivered their schedule of work for the year, with no material control issues arising.

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor
- the work of the external auditor
- the 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 Committee and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 12 December 2018 and signed on its behalf by:

.....
Mr Andrew Brown
Chair of Trustees

.....
Mr Kim Rowe
Accounting Officer

**BISHOPSHALT SCHOOL
(A Company Limited by Guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2018**

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

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

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

.....
Mr Kim Rowe
Accounting Officer

12 December 2018

BISHOPSHALT SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who act as Governors of Bishopshalt School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report (including Strategic 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 12 December 2018 and signed on its behalf by:

.....
Mr Andrew Brown
Chair of Trustees

BISHOPSHALT SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BISHOPSHALT SCHOOL

OPINION

We have audited the financial statements of Bishopshalt School (the 'Academy Trust') 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 Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

BISHOPSHALT SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BISHOPSHALT SCHOOL

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report including 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

RESPONSIBILITIES OF TRUSTEES

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

BISHOPSHALT SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BISHOPSHALT SCHOOL

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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

BIANCA SILVA BA ACA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

Date: 20 December 2018

BISHOPSHALT SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
BISHOPSHALT SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 13 July 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 Bishopshalt School 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 Bishopshalt School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Bishopshalt School 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 Bishopshalt School and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF BISHOPSHALT SCHOOL'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Bishopshalt School's funding agreement with the Secretary of State for Education dated 1 November 2011, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

BISHOPSHALT SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
BISHOPSHALT SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

The work undertaken to draw to our conclusion includes:

- reviewing the minutes of the 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 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; and
- making appropriate enquires 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.

Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

Date: 20 December 2018

BISHOPSHALT SCHOOL
(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	799	3,074	28,688	32,561	28,342
Charitable activities	5	214,119	7,512,452	-	7,726,571	7,716,531
Other trading activities	3	33,907	63,003	-	96,910	80,794
Investments	4	3,537	-	-	3,537	2,907
TOTAL INCOME		252,362	7,578,529	28,688	7,859,579	7,828,574
EXPENDITURE ON:						
Raising funds		-	26,349	-	26,349	15,972
Charitable activities	7	278,317	8,132,946	472,991	8,884,254	8,557,023
TOTAL EXPENDITURE	6	278,317	8,159,295	472,991	8,910,603	8,572,995
NET EXPENDITURE BEFORE INVESTMENT GAINS						
Net gains on investments	14	(25,955)	(580,766)	(444,303)	(1,051,024)	(744,421)
		-	3,688	-	3,688	3,566
NET EXPENDITURE BEFORE TRANSFERS						
Transfers between Funds	18	(25,955)	(577,078)	(444,303)	(1,047,336)	(740,855)
		-	(10,617)	10,617	-	-
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES						
(Losses)/gains on revaluations of investments	14	(25,955)	(587,695)	(433,686)	(1,047,336)	(740,855)
Actuarial gains on defined benefit pension schemes	22	-	(2,869)	-	(2,869)	31,763
		-	350,000	-	350,000	866,000
NET MOVEMENT IN FUNDS		(25,955)	(240,564)	(433,686)	(700,205)	156,908
RECONCILIATION OF FUNDS:						
Total funds brought forward	18	154,225	(1,208,545)	19,615,221	18,560,901	18,403,993
TOTAL FUNDS CARRIED FORWARD		128,270	(1,449,109)	19,181,535	17,860,696	18,560,901

The notes on pages 28 to 53 form part of these financial statements.

BISHOPSHALT SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07799811

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		19,181,535		19,615,221
Investments	14		369,373		371,588
			19,550,908		19,986,809
CURRENT ASSETS					
Stocks	15	4,441		9,723	
Debtors	16	148,324		214,357	
Cash at bank and in hand	21	456,312		970,653	
		609,077		1,194,733	
CREDITORS: amounts falling due within one year	17	(347,289)		(489,641)	
NET CURRENT ASSETS			261,788		705,092
TOTAL ASSETS LESS CURRENT LIABILITIES			19,812,696		20,691,901
Defined benefit pension scheme liability	22		(1,952,000)		(2,131,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			17,860,696		18,560,901
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	18	502,891		922,455	
Restricted fixed asset funds	18	19,181,535		19,615,221	
Restricted income funds excluding pension liability		19,684,426		20,537,676	
Pension reserve	18	(1,952,000)		(2,131,000)	
Total restricted income funds			17,732,426		18,406,676
Unrestricted income funds	18		128,270		154,225
TOTAL FUNDS			17,860,696		18,560,901

The financial statements on pages 25 to 53 were approved by the Trustees, and authorised for issue, on 12 December 2018 and are signed on their behalf, by:

.....
Mr Andrew Brown
Chair of Trustees

.....
Mr Kim Rowe
Headteacher

The notes on pages 28 to 53 form part of these financial statements.

BISHOPSHALT SCHOOL
(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 used in operating activities	20	<u>(510,295)</u>	<u>(144,186)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		3,537	2,907
Purchase of tangible fixed assets		(39,305)	(36,839)
Capital grants from DfE Group		28,688	28,182
Purchase of listed investments		(10,657)	(316)
Sale of listed investments		13,691	-
Net cash used in investing activities		<u>(4,046)</u>	<u>(6,066)</u>
Change in cash and cash equivalents in the year		(514,341)	(150,252)
Cash and cash equivalents brought forward		<u>970,653</u>	<u>1,120,905</u>
Cash and cash equivalents carried forward	21	<u><u>456,312</u></u>	<u><u>970,653</u></u>

The notes on pages 28 to 53 form part of these financial statements.

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.

1.2 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

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 Trust 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 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 meeting any performance related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities 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.

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

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

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.

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

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Going concern

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

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

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £2,000 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.

Depreciation is provided on all tangible fixed assets other than freehold land, 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:

Freehold property	-	2 - 5% straight line on buildings only
Plant and equipment	-	20% straight line
Motor vehicles	-	20% straight line
Computer equipment	-	20% 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.

1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities incorporating Income and Expenditure Account.

1.8 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

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

1. ACCOUNTING POLICIES (continued)

1.10 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.

1.11 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

1.12 Cash at bank and in hand

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

1.13 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions 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.

1.14 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust 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 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 17. 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 instruments.

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

1. ACCOUNTING POLICIES (continued)

1.15 Pensions

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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer 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.

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

1. ACCOUNTING POLICIES (continued)

1.16 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 22, 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.

Critical areas of judgment:

The judgements that have had a significant effect on amounts recognised in the financial statements are those concerning the choice of depreciation policies and asset lives.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	799	3,074	-	3,873	160
Capital Grants	-	-	28,688	28,688	28,182
	799	3,074	28,688	32,561	28,342
Total 2017	160	-	28,182	28,342	

BISHOPSHALT SCHOOL
(A Company Limited by Guarantee)

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

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Rental income	32,607	-	32,607	31,433
Catering income	-	-	-	135
Receipts from non teacher insurance claims	-	12,087	12,087	-
Other income	1,300	13,458	14,758	17,772
Operatic and Dramatic Society income	-	13,066	13,066	9,638
Tuition fees income	-	13,738	13,738	21,489
Scholarship fund	-	10,654	10,654	327
	<u>33,907</u>	<u>63,003</u>	<u>96,910</u>	<u>80,794</u>
Total 2017	<u>32,834</u>	<u>47,960</u>	<u>80,794</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest receivable	3,537	-	3,537	2,907
	<u>3,537</u>	<u>-</u>	<u>3,537</u>	<u>2,907</u>
Total 2017	<u>2,907</u>	<u>-</u>	<u>2,907</u>	

BISHOPSHALT SCHOOL
(A Company Limited by Guarantee)

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

5. 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)	-	6,723,456	6,723,456	6,746,603
Pupil Premium	-	260,185	260,185	255,100
Other DfE/ESFA revenue grants	-	75,502	75,502	75,541
	-	7,059,143	7,059,143	7,077,244
Other government grants				
Local Authority SEN income	-	295,867	295,867	313,799
Other local authority grants	-	1,381	1,381	7,745
	-	297,248	297,248	321,544
Other funding				
Trips and other income	-	156,061	156,061	90,683
Pupil catering income	214,119	-	214,119	227,060
	214,119	156,061	370,180	317,743
	214,119	7,512,452	7,726,571	7,716,531
Total 2017	227,060	7,489,471	7,716,531	

There are no unfulfilled conditions or other contingencies attached to the government grants above.

BISHOPSHALT SCHOOL
(A Company Limited by Guarantee)

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

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income					
Direct costs	-	-	26,349	26,349	15,972
Support costs	-	-	-	-	-
Activities:					
Direct costs	5,688,487	-	1,434,745	7,123,232	6,882,118
Support costs	1,070,968	330,948	359,106	1,761,022	1,674,905
	6,759,455	330,948	1,820,200	8,910,603	8,572,995
Total 2017	6,543,417	285,919	1,743,659	8,572,995	

In 2018, of the total expenditure of £8,910,603 (2017: £8,572,995) £278,317 (2017: £249,124) was to unrestricted funds, £8,159,295 (2017: £7,848,290) was to restricted funds and £472,991 (2017: £475,581) was to restricted fixed asset funds.

BISHOPSHALT SCHOOL
(A Company Limited by Guarantee)

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

7. CHARITABLE ACTIVITIES

	Total funds 2018 £	Total funds 2017 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teaching and educational staff wages and salaries	5,688,487	5,483,225
Depreciation	472,991	475,581
Other staff costs	143,358	138,484
Educational consultancy	98,243	127,973
Examination fees	132,188	127,284
Educational supplies	197,335	201,013
Technology costs	216,322	231,582
Other direct costs	174,308	96,976
	<u>7,123,232</u>	<u>6,882,118</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support staff wages and salaries	1,064,800	1,054,057
Pension finance cost	55,000	58,000
Catering supplies	170,981	145,867
Maintenance of premises and equipment	95,561	58,943
Cleaning	14,449	13,823
Energy	105,784	91,646
Rates	32,371	35,507
Rent	41,658	41,658
Legal and professional	49,291	32,041
Non staff-related insurance	23,095	25,248
Other support costs	84,114	98,930
Governance costs	23,918	19,185
	<u>1,761,022</u>	<u>1,674,905</u>
	<u><u>8,884,254</u></u>	<u><u>8,557,023</u></u>

8. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000 Amount £
Gifts made by the trust	150	-

BISHOPSHALT SCHOOL
(A Company Limited by Guarantee)

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

9. NET RESOURCES EXPENDED / (INCOMING RESOURCES)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	472,991	475,581
Auditors' remuneration - audit	9,750	9,750
Auditors' remuneration - other services	8,000	3,300
Operating lease rentals	176,067	220,817
	=====	=====

BISHOPSHALT SCHOOL
(A Company Limited by Guarantee)

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

10. STAFF COSTS

a. Staff costs

Staff costs during the year were as follows:

	2018	2017
	£	£
Wages and salaries	5,013,437	4,831,475
Social security costs	488,114	465,707
Pension costs	1,008,051	959,675
	<u>6,509,602</u>	<u>6,256,857</u>
Agency staff costs	243,685	280,425
Staff governance costs	6,168	6,135
	<u>6,759,455</u>	<u>6,543,417</u>

b. Staff numbers

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

	2018	2017
	No.	No.
Teachers	78	80
Administration and support	79	73
Management	8	8
	<u>165</u>	<u>161</u>

c. Higher paid staff

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

	2018	2017
	No.	No.
In the band £60,001 - £70,000	5	4
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	1
In the band £100,001 - £110,000	1	1

One (2017: None) of the above employees participated in the Local Government Pension Scheme and during the year ended 31 August 2018, pension contributions amounted to £18,245 (2017: £Nil).

Seven employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for these staff amounted to £85,796 (2017: £85,226 for seven employees).

d. Key management personnel

The key management personnel of the Academy Trust comprises the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £1,046,080 (2017: £915,636).

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

11. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher 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
		£	£
K Rowe (Headteacher)	Remuneration	105,000-110,000	100,000-105,000
	Pension contributions paid	15,000-20,000	15,000-20,000
M Deighton	Remuneration	50,000-55,000	50,000-55,000
	Pension contributions paid	5,000-10,000	5,000-10,000
P Coombs	Remuneration	5,000-10,000	5,000-10,000
	Pension contributions paid	0-5,000	0-5,000
S Gallagher	Remuneration	5,000-10,000	
	Pension contributions paid	0-5,000	

Remuneration disclosures for staff Trustees who resigned before 1 September 2017 have not been disclosed in these financial statements.

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £26 to 1 Trustee).

12. 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.

BISHOPSHALT SCHOOL
(A Company Limited by Guarantee)

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

13. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Plant and equipment £	Computer equipment £	Total £
Cost					
At 1 September 2017	21,975,402	16,480	88,155	164,794	22,244,831
Additions	17,909	-	-	21,396	39,305
At 31 August 2018	<u>21,993,311</u>	<u>16,480</u>	<u>88,155</u>	<u>186,190</u>	<u>22,284,136</u>
Depreciation					
At 1 September 2017	2,442,171	7,980	67,487	111,972	2,629,610
Charge for the year	436,918	2,550	8,609	24,914	472,991
At 31 August 2018	<u>2,879,089</u>	<u>10,530</u>	<u>76,096</u>	<u>136,886</u>	<u>3,102,601</u>
Net book value					
At 31 August 2018	<u><u>19,114,222</u></u>	<u><u>5,950</u></u>	<u><u>12,059</u></u>	<u><u>49,304</u></u>	<u><u>19,181,535</u></u>
At 31 August 2017	<u><u>19,533,231</u></u>	<u><u>8,500</u></u>	<u><u>20,668</u></u>	<u><u>52,822</u></u>	<u><u>19,615,221</u></u>

Included in freehold property is freehold land at valuation of £10,900,000 (2017: £10,900,000) which is not depreciated.

14. FIXED ASSET INVESTMENTS

	Listed securities £
Market value	
At 1 September 2017	371,588
Additions	10,657
Disposals	(13,691)
Realised and unrealised gain	819
At 31 August 2018	<u><u>369,373</u></u>

Valuation

Investments are included at closing mid-market value at the Balance Sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

BISHOPSHALT SCHOOL
(A Company Limited by Guarantee)

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

15. STOCKS

	2018 £	2017 £
Stock	4,441	9,723

16. DEBTORS

	2018 £	2017 £
Trade debtors	5,994	7,313
Other debtors	-	2,238
Prepayments and accrued income	115,837	102,820
VAT recoverable	26,493	101,986
	<u>148,324</u>	<u>214,357</u>

17. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	71,193	99,595
PAYE creditors	129,963	132,990
Other creditors	14,243	123,227
Accruals and deferred income	131,890	133,829
	<u>347,289</u>	<u>489,641</u>

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	94,632	63,463
Resources deferred during the year	96,188	94,632
Amounts released from previous years	(94,632)	(63,463)
Deferred income at 31 August 2018	<u>96,188</u>	<u>94,632</u>

Deferred income relates to school trip income received in advance for the autumn term 2018, advanced lettings and rates relief to March 2019.

BISHOPSHALT SCHOOL
(A Company Limited by Guarantee)

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

18. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds - all funds	154,225	252,362	(278,317)	-	-	128,270
Restricted funds						
	Balance at 1 September 2017 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2018 £
General Annual Grant (GAG)	-	6,723,456	(7,130,596)	407,140	-	-
Pupil premium	-	260,185	(260,185)	-	-	-
Funds on conversion Cecil De Salis Scholarship Fund	543,379	-	-	(417,757)	-	125,622
Bishopshalt School Operatic and Dramatic Society	374,296	10,657	(10,688)	-	819	375,084
SEN	4,780	13,066	(15,661)	-	-	2,185
Other restricted funds	-	295,867	(295,867)	-	-	-
Pension reserve	-	275,298	(275,298)	-	-	-
	(2,131,000)	-	(171,000)	-	350,000	(1,952,000)
	<u>(1,208,545)</u>	<u>7,578,529</u>	<u>(8,159,295)</u>	<u>(10,617)</u>	<u>350,819</u>	<u>(1,449,109)</u>
Restricted fixed asset funds						
	Balance at 1 September 2017 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2018 £
Restricted fixed asset funds	19,615,221	-	(472,991)	39,305	-	19,181,535
DfE/ESFA capital grants	-	28,688	-	(28,688)	-	-
	<u>19,615,221</u>	<u>28,688</u>	<u>(472,991)</u>	<u>10,617</u>	<u>-</u>	<u>19,181,535</u>
Total restricted funds	<u>18,406,676</u>	<u>7,607,217</u>	<u>(8,632,286)</u>	<u>-</u>	<u>350,819</u>	<u>17,732,426</u>
Total of funds	<u>18,560,901</u>	<u>7,859,579</u>	<u>(8,910,603)</u>	<u>-</u>	<u>350,819</u>	<u>17,860,696</u>

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

18. STATEMENT OF FUNDS (continued)

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

All general funds are held for the purposes of education in line with the Academy's objectives.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Academy via the Education and Skills Funding Agency and the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the Academy.

The pension reserve fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to Academy status, and through which all the pension scheme movements are recognised.

The restricted fixed assets fund has been set up to recognise the tangible assets purchased by the Academy following conversion that have been funded from the General Annual Grant. This fund has been created by a transfer from the General Annual Grant fund of an amount equivalent to the cost of the tangible assets involved.

Transfers between unrestricted and restricted fixed asset funds represents capital additions funded by restricted reserves.

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

BISHOPSHALT SCHOOL
(A Company Limited by Guarantee)

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

18. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
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General funds

General unrestricted funds	175,890	262,961	(249,124)	(35,502)	-	154,225
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Restricted funds

	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	124,007	6,746,603	(6,897,455)	26,845	-	-
Pupil premium	-	255,100	(255,100)	-	-	-
Funds on conversion	543,379	-	-	-	-	543,379
Cecil De Salis Scholarship Fund	346,706	327	(8,066)	-	35,329	374,296
Bishopshalt School Operatic and Dramatic Society	3,048	9,638	(7,906)	-	-	4,780
SEN	-	313,799	(313,799)	-	-	-
Other restricted funds	-	211,964	(211,964)	-	-	-
Pension reserve	(2,843,000)	-	(154,000)	-	866,000	(2,131,000)
	<u>(1,825,860)</u>	<u>7,537,431</u>	<u>(7,848,290)</u>	<u>26,845</u>	<u>901,329</u>	<u>(1,208,545)</u>

Restricted fixed asset funds

	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
Restricted fixed asset funds	20,053,963	-	(475,581)	36,839	-	19,615,221
Devolved formula capital	-	28,182	-	(28,182)	-	-
Total restricted funds	<u>18,228,103</u>	<u>7,565,613</u>	<u>(8,323,871)</u>	<u>35,502</u>	<u>901,329</u>	<u>18,406,676</u>
Total of funds	<u><u>18,403,993</u></u>	<u><u>7,828,574</u></u>	<u><u>(8,572,995)</u></u>	<u><u>-</u></u>	<u><u>901,329</u></u>	<u><u>18,560,901</u></u>

BISHOPSHALT SCHOOL
(A Company Limited by Guarantee)

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

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

	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General unrestricted funds	175,890	515,323	(527,441)	(35,502)	-	128,270
Restricted funds						
	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2018 £
General Annual Grant (GAG)	124,007	13,470,059	(14,028,051)	433,985	-	-
Pupil premium	-	515,285	(515,285)	-	-	-
Funds on conversion	543,379	-	-	(417,757)	-	125,622
Cecil De Salis Scholarship Fund	346,706	10,984	(18,754)	-	36,148	375,084
Bishopshalt School Operatic and Dramatic Society	3,048	22,704	(23,567)	-	-	2,185
SEN	-	609,666	(609,666)	-	-	-
Other restricted funds	-	487,262	(487,262)	-	-	-
Pension reserve	(2,843,000)	-	(325,000)	-	1,216,000	(1,952,000)
	<u>(1,825,860)</u>	<u>15,115,960</u>	<u>(16,007,585)</u>	<u>16,228</u>	<u>1,252,148</u>	<u>(1,449,109)</u>
Restricted fixed asset funds						
	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2018 £
Restricted fixed asset funds	20,053,963	-	(948,572)	76,144	-	19,181,535
Devolved formula capital	-	56,870	-	(56,870)	-	-
	<u>18,228,103</u>	<u>15,172,830</u>	<u>(16,956,157)</u>	<u>35,502</u>	<u>1,252,148</u>	<u>17,732,426</u>
Total of funds	<u><u>18,403,993</u></u>	<u><u>15,688,153</u></u>	<u><u>(17,483,598)</u></u>	<u><u>-</u></u>	<u><u>1,252,148</u></u>	<u><u>17,860,696</u></u>

BISHOPSHALT SCHOOL
(A Company Limited by Guarantee)

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

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	19,181,535	19,181,535
Fixed asset investments	-	369,373	-	369,373
Current assets	128,270	480,807	-	609,077
Creditors due within one year	-	(347,289)	-	(347,289)
Pension liability	-	(1,952,000)	-	(1,952,000)
	<u>128,270</u>	<u>(1,449,109)</u>	<u>19,181,535</u>	<u>17,860,696</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	19,615,221	19,615,221
Fixed asset investments	-	371,588	-	371,588
Current assets	154,225	1,040,508	-	1,194,733
Creditors due within one year	-	(489,641)	-	(489,641)
Pension liability	-	(2,131,000)	-	(2,131,000)
	<u>154,225</u>	<u>(1,208,545)</u>	<u>19,615,221</u>	<u>18,560,901</u>

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

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(1,047,336)	(740,855)
Adjustment for:		
Depreciation charges	472,991	475,581
(Gains)/losses on investments	(3,688)	-
Dividends, interest and rents from investments	(3,537)	(2,907)
Decrease in stocks	5,282	1,248
Decrease/(increase) in debtors	66,033	(69,434)
(Decrease)/increase in creditors	(142,352)	66,363
Capital grants from DfE and other capital income	(28,688)	(28,182)
Pension adjustments	171,000	154,000
Net cash used in operating activities	<u>(510,295)</u>	<u>(144,186)</u>

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

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	2017
	£	£
Cash in hand	456,312	970,653
Total	456,312	970,653

22. PENSION COMMITMENTS

The Academy Trust'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 London Borough of Hillingdon. 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.

Contributions amounting to £Nil were payable to the schemes at 31 August 2018 (2017 - £109,242) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed 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

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

22. PENSION COMMITMENTS (continued)

- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £593,000 (2017 - £566,000).

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 Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy 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 £369,000 (2017 - £355,000), of which employer's contributions totalled £299,000 (2017 - £289,000) and employees' contributions totalled £70,000 (2017 - £66,000). The agreed contribution rates for future years are 28.8% for employers and between 5.5% and 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to 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 %	2.50 %
Rate of increase in salaries	2.80 %	2.80 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

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	22.6	22.6
Females	24.6	24.6
Retiring in 20 years		
Males	24.0	24.0
Females	26.5	26.5

BISHOPSHALT SCHOOL
(A Company Limited by Guarantee)

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

22. PENSION COMMITMENTS (continued)

	At 31 August	At 31 August
Sensitivity analysis - approximate monetary amount increases to defined benefit obligation	2018	2017
	£	£
Discount rate -0.5%	530,000	493,000
Salary increase +0.5%	96,000	101,000
CPI rate +0.5%	426,000	384,000

The Academy Trust's share of the assets in the scheme was:

	Fair value at	Fair value at
	31 August	31 August
	2018	2017
	£	£
Equities	1,365,140	1,466,920
Other bonds	780,080	567,840
Property	334,320	283,920
Cash and other liquid assets	306,460	47,320
Total market value of assets	<u>2,786,000</u>	<u>2,366,000</u>

The actual return on scheme assets was £37,000 (2017 - £185,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018	2017
	£	£
Current service cost	(415,000)	(385,000)
Interest cost	(55,000)	(58,000)
Total	<u>(470,000)</u>	<u>(443,000)</u>

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

	2018	2017
	£	£
Opening defined benefit obligation	4,497,000	5,217,000
Current service cost	415,000	385,000
Interest cost	118,000	108,000
Employee contributions	70,000	66,000
Actuarial gains	(313,000)	(1,194,000)
Benefits paid	(49,000)	(85,000)
Closing defined benefit obligation	<u>4,738,000</u>	<u>4,497,000</u>

BISHOPSHALT SCHOOL
(A Company Limited by Guarantee)

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

22. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	2,366,000	2,374,000
Interest income	63,000	50,000
Actuarial losses/(gains)	37,000	(328,000)
Employer contributions	299,000	289,000
Employee contributions	70,000	66,000
Benefits paid	(49,000)	(85,000)
	<u>2,786,000</u>	<u>2,366,000</u>

The amount shown in the Statement of Financial Activities is:

	2018 £	2017 £
Changes in financial assumptions	313,000	1,194,000
Return on assets excluding amounts included in net interest	37,000	(328,000)
	<u>350,000</u>	<u>866,000</u>

The amount shown in the Balance Sheet is:

	2018 £	2017 £
Present value of defined benefit obligation	(4,738,000)	(4,497,000)
Fair value of scheme assets	2,786,000	2,366,000
	<u>(1,952,000)</u>	<u>(2,131,000)</u>

23. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	34,258	129,826
Between 1 and 5 years	32,623	66,881
	<u>66,881</u>	<u>196,707</u>

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

24. 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 Academies Financial Handbook and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

There were no related party transactions other than as disclosed in note 11.

25. GOING CONCERN

The Academy Trust was formed in 2011. In the year to 31 August 2018, the Academy had reported:

- Net expenditure of £1,047,336 (2017: £740,855) after depreciation of £472,991 (2017: £475,581) and pension costs of £470,000 (2017: £443,000) and before actuarial gains of £350,000 (2017: £866,000).
- The restricted fixed asset fund was £19,181,535 (2017: £19,615,221).
- The Local Government Pension Scheme fund deficit was £1,952,000 (2017: £2,131,000).
- At 31 August 2018, other restricted funds were £127,807 (2017: £548,159) and the unrestricted fund balance was £128,270 (2017: £154,225) which is carried forward to 2018/19.
- The Cecil De Salis Scholarship Fund is a separate registered Charity which the Academy Trust has control over and is consolidated in to the Academy Trust financial statement, but which the Trust Deed states that funds can only be to provide scholarships for Bishopshalt students attending higher education. Consequently the reserves within Cecil De Salis Scholarship Fund can not be used to fund Academy expenditure.

In the forecasts considered by the trustees in July 2018 for submission to the ESFA in the Budget Forecast Return, the revenue budget for the year to 31 August 2019 is estimated as deficit of £416,561. As revenue funds carried forward at 31 August 2018 are only £256,077, the Academy Trust would not have sufficient reserves available to fund the deficit budget for 2018/19. However, the Academy Trust has adjusted its spending plans to ensure a balanced budget going forward. The Trustees have considered a period of twelve months from the date of approval of the financial statements.

26. 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.