

Bedfordshire Schools Trust Limited

Registered number: 07546141

Trustee report and group financial statements

For the year ended 31 August 2018



BEDFORDSHIRE SCHOOLS TRUST LIMITED

(A company limited by guarantee)

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BEDFORDSHIRE SCHOOLS TRUST LIMITED

(A company limited by guarantee)

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

FOR THE YEAR ENDED 31 AUGUST 2018

Members

Peter Little
David Shelvey
Caroline Devereaux
Ilona Bond (appointed 12 September 2017)
Cathy Poitrowski (appointed 12 September 2017, resigned 21 June 2018)
Ian Morfett (appointed 12 September 2017)
Martin Petts (appointed 12 September 2017)

Trustees

Carrie Traill, Member Appointed Trustee (Resigned 31 August 2018)
David Shelvey, Member Appointed Trustee and Chair of Finance and Audit Committee¹
Paul Walker, Member Appointed Trustee¹
Julie Hollings, Member Appointed Trustee (Resigned 9 May 2018)
Alan Lee, Member Appointed Trustee¹
Ilona Bond, Member Appointed Trustee and Chair
Clare Mycock, Co-opted Trustee
Anthony Sanderson, Co-opted Trustee
Sharon Jeffs, Co-opted Trustee (Appointed 1 September 2017, Resigned 31 August 2018)

¹ Member of the Finance and Audit Committee

Company registered number

07546141

Company name

Bedfordshire Schools Trust Limited ("BEST")

Principal and registered office

BEST House, Shefford Road, Clifton, Bedfordshire, SG17 5QS

Senior management team

Alan Lee, CEO and National Leader of Education
Craig Smith, COO
Nafia Baust, CFO
Alex Prior, Principal
Debbie Randall, Principal
Pam Jones, Principal
Thomas Clarke, Principal
Nick Martin, Principal (Student Learning, Progress and Intervention)
Julian Axford, Principal (9-13 Learning and Curriculum)
David Goode, Assistant Principal (Staff Development)
Ian Butler, Assistant Principal (Data, Assessment and Exams)
Steve Fox, Assistant Principal (Children and Family Services)

BEDFORDSHIRE SCHOOLS TRUST LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE MULTI-ACADEMY TRUST, ITS
TRUSTEES AND ADVISERS**
FOR THE YEAR ENDED 31 AUGUST 2018

Advisers (continued)

Independent auditor

Mazars LLP, The Pinnacle, 160 Midsummer Boulevard, Milton Keynes, MK9 1FF

Bankers

National Westminster Bank Plc, 152 Silbury Boulevard, Milton Keynes, MK9 1LT

Lloyds Bank Plc, Queens Square, Wolverhampton, WV1 1RF

Nationwide Building Society, PO Box 3, 5-11 St. Georges Street, Douglas, Isle of Man, IM99 1AS

Solicitors

Trowers & Hamlins LLP, 55 Princess Street, Manchester, M2 4EW

BEDFORDSHIRE SCHOOLS TRUST LIMITED

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who act as governors of Bedfordshire Schools Trust Limited and are also the Directors of the charitable company for the purposes of company law) present their annual report, together with the audited group financial statements of Bedfordshire Schools Trust Limited ("BEST") ("the Multi-Academy Trust") for the year ended 31 August 2018.

The Trustees confirm that the Annual Report and financial statements of the Multi Academy Trust comply with the current statutory requirements, the requirements of the Multi Academy Trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2015.

The Multi-Academy Trust also trades under the name BEST and comprises Samuel Whitbread Academy, Robert Bloomfield Academy, Etonbury Academy, Gothic Mede Academy, Gravenhurst Academy and Langford Village Academy plus St Christopher's Academy which joined the MAT on 1 September 2017.

The Group consists of BEST plus its subsidiaries: Bedfordshire East Schools Trust Limited and Bedfordshire East Schools Trust Nurseries Limited.

Objectives and activities

a. Objectives and aims

The object of BEST is to advance education and provide centres of excellence that improve pupil outcomes by establishing, maintaining, managing and developing academies. We believe in the importance of high expectations, hard work and striving to be the best we can be. Our community based provision always puts children first and our academies collaborate to support and compete to challenge and continually improve. Our core operating principals are:

- Deliver BEST outcomes – target to be in the top 20% nationally
- Provide BEST opportunities – provide opportunities beyond the classroom to develop the whole person
- Nurture talent – invest in our people bringing out the BEST in everyone
- Operate a high autonomy, high accountability culture to raise standards
- Lead through service – working together with mutual respect and shared responsibility

Commitment

We will hold ourselves accountable to these statements and ensure we communicate the vision and manifesto to our community.

b. Catchment and enrolment

Gravenhurst, Langford Village, Gothic Mede, St Christopher's, Etonbury, Robert Bloomfield and Samuel Whitbread academies currently comprise the Bedfordshire Schools Trust Limited (BEST). The academies serve the catchment – defined by Central Bedfordshire Local Authority – areas of: Langford; Stotfold; Arlesey; Shefford; Gravenhurst and Clifton.

c. Public benefits

The key public benefit delivered by BEST is the provision of exceptional education for our students and their families. Currently, Ofsted grades two of our six academies 'outstanding': our intention is that they all are by 2021. Targets to be in the top 20% nationally for student outcomes have been set for all academies.

Each of our academies is a unique learning community. They collaborate and compete with each other to continually improve student outcomes and enable all to be the best they can be. Together, our academies offer a clear, considered and coherent educational age 4 to 19 community based pathway.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

STRATEGIC REPORT

Achievements and performance

a. Review of activities and key performance indicators

Introduction

During 2017-18 BEST has undertaken a number of reviews of Trust-wide activity to ensure all areas are compliant with the appropriate statutory requirements, working efficiently and striving to deliver value for money. There has been a fundamental overhaul of how capital income is deployed – developing a far more effective link between need, investing to save and looking to develop the condition of the estate. Across key areas such as ICT, HR and Health and Safety there have been significant improvements in the service quality delivered to schools and how we contractually manage these large areas of activity.

BEST has also ensured that challenging new areas such as GDPR have been embraced by preparing for their implementation and ensuring a proportionate approach that encompasses compliance but also enables the core activity of educating learners to function effectively. There has been a significant policy review programme to ensure all central policies are updated in line with the review calendar and the introduction of a Compliance Calendar to ensure effective monitoring of key areas.

Alongside this activity has been a strengthening of the support for governance at all levels of the organisation: highlights include three Trustees and the COO undertaking a new national MAT Governance Leadership qualification; new qualifications for Clerks across the Trust; a review of the training offered to governors and a Trust wide Annual Governance Conference attended by a large number of governors and Trustees.

Nurseries

The BEST Nurseries have aligned much more closely with BEST during the past year. On an operational level there has been great strides forward in supporting the nurseries with ensuring value for money with contracts and purchasing, support for HR challenges and a closer integration with the wider BEST finance systems to improve efficiency. Governance around the nurseries has also improved with a review of the BEST (Subsidiary) terms of reference and membership and a greater clarity over the support and line management for the Managing Director of Nurseries.

Inspections

Three Ofsted inspections took place during the academic year 2017-18. Samuel Whitbread Academy (SWA) gained a 'Good' judgement. Pleasingly, inspectors commented that: 'The principal, governors and the Trust all share the same vision and high aspirations for the school.' (SWA Ofsted, p1 Oct 17). Arlesey Nursery also gained a 'Good' judgment, with inspectors stating that: 'Managers have a clear overview of children's achievements' and that 'Strategies to support children who need extra help are effectively implemented.' (AN Ofsted, p1 June 18). However, Ofsted judged Etonbury Academy (ETA) to be 'Requires Improvement', despite stating that: 'support from the trust has been effective', the inspectors concluded that: 'Leaders and governors have an overgenerous view of the quality of provision.' (ETA Ofsted, p1. Nov 17). Since the inspection at ETA, Trustees have acted rapidly, replacing the Principal; placing a National Leader of Governance on the Local Governing Body; and, supporting through the creation and implementation of a rapid improvement plan.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

Results

Results across all key stages were very strong throughout 2017-18. At each key stage, the attainment of BEST pupils was significantly above national averages

In Early Years, pupils at Gravenhurst Academy 92%; BEST Nursery (Arlesey) – 90%; BEST Nursery (Shefford) – 89%; Langford Village Academy 75%; and, Gothic Mede Academy 73% achieved a Good Level of Development. All above the national average 69.3%. (National average figures quoted for EYFS, Phonics and KS1 are 2017. (Figures for 2018 were not available at the time of writing)

Phonics results at Gravenhurst Academy 80% were in line with the national figure of 81%, but the outcomes for Gothic Mede Academy 90%, Langford Village Academy 89% and St Christopher's Academy – 87% were significantly above.

Results in Key Stage 1, across Reading, Writing and Maths at all BEST academies were exceptionally strong, with well over half the set targets being achieved in the top 20% nationally. In Reading 85-93-87-83- % reached the expected standard at Gravenhurst Academy, Langford Village Academy, Gothic Mede Academy and St Christopher's respectively, well above the national average – 76%; in Writing the figures were 80-80-76-80%, all above the national average – 68%; and, in Maths 85-87-84-80%, well above the national average 75%.

Across Key Stage 2, as indicated in the table below, all BEST schools were above national averages in all areas:

<u>School</u>	<u>Reading</u>	<u>Writing</u>	<u>GPS</u>	<u>Maths</u>	<u>Combined</u>
Robert Bloomfield	86	88	80	85	78
Etonbury	78	87	90	83	72
St Christopher's	91	86	86	77	77
National Average	75	78	78	76	64

At Key Stage 4, Samuel Whitbread Academy (SWA) achieved another set of examination results well above national averages: (Progress 8 figures were not available at the time of writing)

<u>GCSE % 9-4</u>	<u>SWA</u>	<u>National</u>
English and Maths	71	65
English	84	77
Maths	77	69
Science	76	64

Similarly, at Key Stage 5 SWA's results were excellent again this year with 26% A*-A, 52% A*-B and 76% A*-C which resulted in an ALPs 4 judgement (top 40% nationally) and a positive value added. Overall 99% of students went to their first-choice university.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

Extra-curricular activities

A substantial, vibrant and enriching extra-curricular programme is in place across all BEST academies. Participation and achievement are key: all have the opportunity to be involved and succeed. In sport, BEST academies have moved beyond district, county and regional success to the bigger national and international scene. National finals were reached in rugby, gymnastics and equestrian events in 2017-18, with national representative honours being gained in football, swimming, equestrian events and kite flying amongst others. Performing Arts flourish, with large choir groups and multiple musical performances; the BEST Summer Arts Festival, where all BEST academies participate being one such example. Several shows included: the musical Jack and the Beanstalk, Annie, the Little Shop of Horrors and the Christmas Pantomime Cinderella. Our LAMDA Centre achieved its best ever results with a stunning 100% pass rate, with many at distinction level. Further success was enjoyed on the global stage as students were awarded prizes in the David Shepherd Wildlife Trust Global Canvas Competition 2018, exhibiting their work at the Natural History Museum in London. The Duke of Edinburgh Award provision is extensive and offered at Bronze, Silver and Gold level. Currently, over 150 students annually enrol in this. An incredible range of clubs are available for students to join from Latin Dancing to Rock Choir and everything in-between. Staff give tirelessly of their time. Numerous curriculum visits, career exhibitions and trips to places such as the Galapagos Islands and Tanzania all take place.

BEST Teaching School

School improvement across our academies and Central Bedfordshire is driven by the BEST Teaching School. During 2017-18, 55 Continuing Professional Development (CPD) days were delivered to almost 1,000 delegates, with the vast majority rating them Good or better. The diverse CPD offer included: structured programmes, such as the Improving Teacher Programme and the Recently Qualified Teacher Programme, together with bespoke events covering areas such as: inference, maths, mindsets, SMSC and fire safety.

The BEST Teaching School has continued to develop external partnerships. Currently, it is working with Denbigh Teaching School and STEM to offer bespoke science related CPD. Further partnership work with the NHS provides specialist speech and language training (ELKLAN).

All BEST academies benefit from a bespoke package of support which included: subsidised CPD, SLE support, commissioned safeguarding reviews, access to the Governor training package and Cross School Subject Development meetings. BEST academies greatly value this support, the impact of which is scrutinised by the Trustees' Performance Committee.

The BEST Teaching School remains financially stable and was successful in gaining a grant from the MAT Development and Improvement Fund (MDIF) to support the school-to-school work across Central Bedfordshire.

BEDFORDSHIRE SCHOOLS TRUST LIMITED

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

Financial review

a. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Multi-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 Accounting Policies.

b. Financial and risk management objectives and policies

The majority of the Trusts funding is via GAG from the Education and Skills Funding Agency and other Government grants administered via the ESFA and/or Local Authority. This is supplemented via third party lettings of the Trust's premises. All expenditure supports the Trusts key objective of delivering quality education to our students and community.

The Trust complies with the principles of financial control as outlined in the academies guidance published by the ESFA, and as required in our funding agreement. Our Financial Procedures, Delegation of Financial Responsibilities and Value for Money Statement provide detailed information on the Trust's accounting procedures, financial controls and systems and principles which conform to the requirements both of propriety and of good financial management.

The Board of Trustees is accountable for the way in which the resources of the constituent Academies are allocated to meet the objectives set out in the academies' school improvement plans. Trustees need to secure the best possible outcome for pupils, in the most efficient and effective way, at a reasonable cost. This will lead to continuous improvement in the academies' achievements and services.

The Academies prepare both medium term and short term financial plans. The medium term financial plan is prepared as part of the school improvement planning process. The school improvement plan indicates how the Academies' educational and other objectives are going to be achieved within the expected level of resources and provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the Academies and the planned use of those resources.

The Accounting Officer is responsible for reviewing the Financial Procedures on an annual basis and for recommending it to the Trustees for approval. In general the overall position of each academy's budget will be monitored on a monthly basis by the Chief Financial Officer who will produce reports and written commentary for the Board of Trustees on a quarterly basis. The reports will detail actual income and expenditure against budget for the Finance Committee and Audit Committee.

c. Principle risks and uncertainties

As required under the Companies Act 2006, the governing body has reviewed the principal risks and uncertainties facing the academy trust, and these have been identified in the Risk Register which is reviewed termly by the Finance and Audit Committee.

In 2003 Samuel Whitbread Academy was rebuilt through a PFI scheme. The annual increase in the repayments are linked to the RPIX and at a time when our funding is decreasing the additional cost is impacting on funds that should be used to educate the pupils. If funding levels do not improve this will become a concern in the future.

Another major concern is the increase in statutory employer costs over the last few years, including contribution rises to NI and Pensions, the introduction of the Apprentice Levy, introduction of the Living Wage and nationally agreed pay levels which have been unfunded. The repeated reduction in funding is becoming a significant risk to our ability to deliver the quality of education we aspire to.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

d. Reserves and investment policy

The Trust will retain a common reserve fund to mitigate any financial risk and to ensure the stability of the Trust as a whole and of our constituent Academies. The BEST Finance and Audit Committee is responsible for ensuring that our reserve fund is maintained sufficiently.

Spending requests (from constituent academies) must be considered by the Finance and Audit Committee in line with the following stated priorities, and any subsequent recommendation must be minuted and made to the Board of Trustees who holds the final decision to proceed:

- a. to address poor educational outcomes
- b. to fund any unavoidable in year operating deficit within our constituent academies;
- c. for specific long term maintenance needs to the existing buildings and facilities;
- d. for any new facilities or infrastructure to meet student requirements;

Reserves are under ongoing review, always bearing in mind the need to maintain an appropriate level to cover any future shortfalls and to have funds which can be used for future educational purposes and objectives of the Trust. We endeavour to hold a minimum level of £750,000. The Multi Academy Trust's total funds as at 31 August 2018 amounts to £54.0m (2017 - £47.4m) including general and restricted revenue funds of a £1.415m (2017 £1.093m).

The Multi Academy Trust will endeavour to invest its reserve funds wisely and with a low risk philosophy to ensure funds not immediately required attract a healthy interest return. This will be done via interest savings accounts and longer term high interest accounts. The return on any such investments will be reported annually to the Trustees.

Structure, governance and management

a. Constitution

The Multi-Academy Trust is a charitable company limited by guarantee and an exempt charity, registered in England and Wales.

The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Multi-Academy Trust.

The Charitable Company is known as "BEST".

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

b. 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.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

c. Method of recruitment and appointment or election of trustees

The number of trustees shall not be less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

Subject to Articles 48 49, 50AA, 53 and 57, the Academy Trust shall have the following Trustees:

- a. up to 5 Trustees, appointed under Article 50, and;
- b. a minimum of 2 Parent Trustees elected or appointed under Articles 53 56 in the event that no Local Governing Bodies are established under Article 100a or if no provision is made for at least 2 Parent Local Governors on each established Local Governing Body pursuant to Article 101A.

The Company may also have any Co opted Trustee appointed under Article 58.

The term of office for any Trustee shall be 4 years. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re appointed or re elected.

d. Policies and procedures adopted for the induction and training of trustees

A comprehensive induction process is in place. This is led by the CEO and delivered through the BEST Teaching School. The core areas of governance are covered: ensuring clarity of vision, ethos and strategic direction; holding executive leaders to account for educational performance; and, overseeing financial performance and ensuring that money is well spent. In addition, new Trustees are made clear of their legal responsibilities and familiarised with BEST's 'Governance, Scheme of Delegation and Operational Structure' policies and protocols.

Training for all Trustees is based on completion of the annual Trustees' Skills Audit. This identifies any gaps in expertise, skills or experience, in line with the aims of BEST. Once identified a bespoke training programme is devised, implemented and evaluated. Implementation is co ordinated by the BEST Teaching School, with delivery through a range of experts from both within and external to BEST.

e. Arrangements for setting pay and remuneration of key management personnel

The Board of Trustees are volunteers and receive no remuneration for their services to the Trust. Responsibility for setting the pay and remuneration of the academy's Chief Executive Officer rests with the Trustees who have determined that the post shall be paid on a seven point scale. The Board monitors the Chief Executive Officer's performance via the Trust Appraisal process and the setting of robust targets. Progression along the pay scale is performance related and not automatic.

The Board have delegated the performance management of all other key personnel to the Chief Executive Officer. The Trust performance management process is applied by the Chief Executive officer to all key personnel within the Trust and performance targets are set for both teaching and support staff. Salary scales and pay progression are determined in accordance with the National schemes. The Chief Executive Officer applies the trust's performance management process to the Principals using the same principles.

The Trustees and Members are committed to complying with the nationally negotiated agreements for both teaching and support staff pay and conditions of employment to all academy staff.

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

f. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	1
51%-99%	-
100%	-

Percentage of pay bill spent on facility time	£000	
Total cost of facility time	-	
Total pay bill	15,553	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100	%
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g. Organisation structure

BEST's governance structure exists on three levels: the Members, the Board of Trustees (the 'Board') and the Local Governing Bodies (LGBs). The work of these is augmented by a series of focused sub committees. Roles and responsibilities are clearly described in our scheme of delegation (see 'Governance, Scheme of Delegation and Operational Structure', Appendix 1, referred to as 'Scheme'). This is under constant review, in the light of changing legislation, educational thinking and community feedback. It is improved annually to ensure effective and efficient governance.

Each individual academy possesses a Principal (and leadership team) and a LGB. Delegated responsibility is clearly described in the Scheme. The BEST's CEO, Dr Alan Lee, writes the Scheme. It is the result of consultation with and robust challenge from the academy Principals and LGBs. The Board thoroughly interrogates updates, prior to approval of the Scheme.

A central, integrated team of professionals support the work of the BEST academies. Finance is not delegated and is a central function; other centralised services include human resources, estates management, procurement, IT and aspects of our communications strategy.

Due to the large remit of the Responsible Officer the Trustees have decided to appoint our External Auditors to carry out this role.

These arrangements can provide reasonable, but not absolute, assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

h. Connected organisations, including related party relationships

Bedfordshire East Schools Trust Limited (the Charity) is a subsidiary of Bedfordshire Schools Trust. BEST Ltd is the freeholder of Bedfordshire School Trust's lands, buildings and assets. The Charity's aim is 'to advance education and community cohesion.' The Charity is a co operative trust and foundation which enables all schools and academies in the Samuel Whitbread Academy catchment to work together across 6 development strands: Raising Achievement for All, Developing a 0 to 19 Curriculum and 0 to 19 Children and Family Services as well as all through Training, Community Cohesion and providing an all through Finance, Resources and ICT Infrastructure.

Bedfordshire East Schools Trust Nurseries Limited (BEST Nurseries Ltd) is a subsidiary of the Charity and currently runs two nurseries.

During this year the Trust purchased services to the value of £2,200 from CBICT.org, a company linked to one of our Trustees, The Trustee stepped down from her position on June 21, 2018, and is no longer a related party.

i. Employment policies

The Multi Academy Trust continues to encourage the participation of its employees in the business in which they work. Established communication and consultation procedures exists which aim to ensure that employees are informed about, and involved in, matters which are of interest and concern to them.

BEST is an equal opportunities employee and its policies for the recruitment, training, career development and promotion of employees are based on the relevant merits and abilities of the individuals concerned. The policies also allow disabled persons to compete on an equal basis. Any existing employee who becomes disabled is given the training required to ensure that, wherever possible, continuity of employment can be maintained.

BEST also promotes all aspects of health and safety in the interest of its employees.

BEST recognises the importance of the role of Trade Unions in the workplace and the benefits to both employee and employer of working together effectively. The Trust has published its data under the new regulations for Trade Union Facility Time Publication.

Fundraising

The trust engages in fundraising for a number of different local, national and occasionally international charities. The fundraising is organised by our pupils and our parent teacher associations. Pupils in each year group nominate a charity to support for that year. Funds are raised through events/activities such as cake sales, sponsored events, Christmas card designs, Children in Need and Sport Relief events, Christmas Fair, carol concert, themed costume and non-uniform days. We do not carry out street collection, mail shots or telephone canvassing.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

Plans for future periods

Post balance sheet events

BEST is growing and Lawnside Lower School, in Biggleswade, will be joining during 2019.

a. Future developments

EA continues to expand its age range provision, welcoming its final group of Y9 students on 1 September 2018. From 1 September 2017, St Christopher's Academy Dunstable, joined BEST. This is a single form Primary academy. BEST intends to open its new free school: the Pix Brook Academy which will be an extended Secondary academy, with a PAN of 180 in each year, from Year 5 to 11. Plans are going well and we are aiming for an opening date of 1 September 2019.

We are looking forward to Lawnside Lower School Biggleswade joining BEST during 2019. Given the rising demand for 6th Form places, to meet the imminent needs of Etonbury Academy and Pix Brook Academy, BEST is currently considering submitting a 6th Form Free School application.

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

Auditor

The auditor, Mazars LLP, were reappointed in the year and has indicated its willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 5 December 2018 and signed on its behalf by:



Ilona Bond
Chair of Trustees

BEDFORDSHIRE SCHOOLS TRUST LIMITED

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GOVERNANCE STATEMENT

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer , 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 Bedfordshire Schools Trust Limited 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.

Key responsibilities:

- Strategic leadership that champions vision, ethos and strategy
- Accountability that drives up educational standards and financial performance
- People with the right skills, experience, qualities and capacity
- Structures that reinforce clearly defined roles and responsibilities
- Compliance with statutory and contractual requirements
- Evaluation to monitor and improve the quality of impact of governance.

Evidence of the effectiveness of the Board will be provided by:

- Achievement – progress and attainment - at each academy
- High standards of behaviour, good attendance and a safe environment in each academy
- A strong BEST-wide culture of spiritual, moral, social and cultural development
- Positive parent/carers feedback
- Universally high expectations of staff as well as students
- Evidence of decisive action taken to address challenges at individual academy level
- Governors acting as a driving force for improvement regularly checking their own effectiveness
- External/Internal reports and awards. Ofsted/BEST School Improvement Advisor reports, Challenge Partners and National Governance Mark.

The Trustees are participating in the Governance Leadership Development Programme which is designed to increase their effectiveness in providing strategic leadership and data-driven accountability for educational standards and financial performance.

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GOVERNANCE STATEMENT (continued)

Governance

Board of Trustees

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 6 times during the year. One Member and three Trustees have resigned this year and we are in the process of appointing 1 or 2 more. The Trust is working towards achieving the Governor Mark ensuring good governance by way of an external assessment. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Carrie Traill, Member Appointed Trustee (1)	0	0
David Shelvey, Member Appointed Trustee and Chair of Finance and Audit Committee	5	6
Paul Walker, Member Appointed Trustee	6	6
Julie Hollings, Member Appointed Trustee	1	4
Alan Lee, Member Appointed Trustee	6	6
Ilona Bond, Member Appointed Trustee and Chair	6	6
Clare Mycock, Co-opted Trustee	6	6
Anthony Saunderson, Co-opted Trustee	5	6
Sharon Jeffs, Co-opted Trustee	5	6

(1) Carrie Traill has been seconded to Chair of Samuel Whitbread Academy Governing Body from September 2016 and was therefore released from Board duties for the year.

Please refer to page 1 for the full Trustee listing.

The Finance and Audit Committee

The Finance and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to lead the development of strategic plans and provide leadership on financial issues (refer to TORs for specific responsibilities). The effect of funding pressures continues to be the main challenge we face.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Ilona Bond, Member Appointed Trustee and Chair	3	3
Julie Hollings, Member Appointed Trustee	1	2
David Shelvey, Member Appointed Trustee and Chair of Finance and Audit Committee	3	3
Paul Walker, Member Appointed Trustee	3	3
Alan Lee, Member Appointed Trustee	3	3

The Performance Committee

The Performance Committee is a sub-committee of the main Board of Trustees. Its purpose is to ensure targets are output driven and to ensure the Trust is delivering sustained and substantial improvement. The Trustees monitor the academic performance of individual academies and BEST as a whole and provide challenge to the executive leadership.

BEDFORDSHIRE SCHOOLS TRUST LIMITED

(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Review of value for money

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Multi-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 Multi-Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Multi-Academy Trust has delivered improved value for money during the year by:

a) Improving educational outcomes

BEST expects its schools to provide an outstanding education, as judged by Ofsted. Moreover, it expects student outcome to be in the top 20% nationally, as judged by any attainment or progress measure.

Improvement was delivered in 2017/18. Outcomes in academies, across all key stages rose; with many delivered at or above the 20th percentile.

b) Targeted Improvement

Staffing structures are reviewed each year and recruitment is focused on providing quality teaching and leadership in all areas of the curriculum. Our Chief Executive Officer has been putting in place a School Improvement Team to monitor and support the academies across the trust. This powerful transformational team includes and NLE, two NLGs and twenty two SLEs. In addition, leadership partners are provided to support and challenge Principals; school improvement partners work on targeted areas; and, all academies are part of the Challenge Partners network to continually improve practices. Training and professional development is very important and we use our Teaching School to support by providing courses required at all levels of the trust, including Trustees and governors, to ensure our skills base is sound. BEST is also at the centre of a number of interconnected networks and partnerships focused on accelerating progress and raising attainment across all our academies.

c) Pupil Premium

Each academy carefully monitors Pupil Premium expenditure and its impact on improving attainment for students on Free School Meals and Looked After Children. At Key Stage 4, each student who is entitled to receive Pupil Premium has a set amount dedicated to overcoming the barriers they face in life which they can spend in consultation with their form tutor.

d) Financial governance and oversight

The Trust's system of financial control is based on procedures and systems to ensure adequate controls are in place through setting targets, regular management information, delegation of authority and segregation of duties, clearly defined purchasing guidelines and identification and management of risks.

The Board of Trustees approve the annual budget forecast of the academy trust and review admissions numbers/forecast and budgets on an annual basis ensuring that we have future financial stability.

The Finance and Audit Committee meets termly to review the budget monitoring reports, the internal compliance report and the external auditors' management report and take action on any recommendations made by them. The Accounting Officer has regular meetings with the Chief Financial Officer who monitors the finance teams in each academy on an ongoing basis.

BEDFORDSHIRE SCHOOLS TRUST LIMITED

(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

e) Benchmarking

The Trust benchmarks itself against other multi academy trusts of similar size, student numbers, staff numbers and costs whenever it can access the relevant information. We meet and share best practice with academies outside of the Trust in our community. Membership of education and finance forums provide an opportunity for comparison and discussion.

f) Economies of scale

Resources are finite and increasingly austere. The Trust considers Value for Money in all decisions that are made. Staff that are in leadership and management roles or have advanced skills are deployed across the academies within the Trust in order to provide cost efficiencies. Support staff functions are combined and tasks shared to achieve maximum savings.

Following appraisal of strategies implemented to date the Trust is looking at how it can achieve further economies of scale within the staffing budget without impacting on the quality of education it provides.

The Trust continually drives the streamlining of finance and administration systems. We review services, subscriptions and licences common to all our academies and endeavour to negotiate a single central solution at a reduced overall cost where beneficial. We look for opportunities to enter into sharing services with other schools, for example the School Sports Co ordinator providing a service to lower schools outside of the Trust.

To ensure better purchasing and fitness for purpose the Trust has procedures that specify processes that take into account best value in terms of suitability, efficiency, time and cost. The procedures identify value limits for items that can be purchased directly, that need three quotes, and that require competitive tendering. We consider any new initiative suggested by the government and adopt practices if beneficial.

We ensure purchasing processes are consistent across all the academies within the Trust. We have segregation of duties and defined levels of delegated powers with respect to all purchases. Long term contracts are regularly reviewed and compared against other providers, in order to achieve the best price without compromising quality.

This year we achieved economies of scale by restructuring staff in the central team to make the delivery of services more efficient and at the same time reviewed bought in services to ensure value for money. We are using our School Condition Allocation to group the highest priority issues from our school condition surveys for tendering to maximise the value achieved. Wherever possible we negotiate MAT bulk discounts with suppliers. Our aim is to use local businesses if we can obtain good value to make sure we are supporting our communities as well as receiving a more personalised and often more efficient service. We also achieve value for money as well as improved outcomes by sharing key staff across our academies.

g) Maximising income generation

The Trust explores every opportunity to generate additional revenue. Government grants and initiatives are scrutinised for positive outcomes. We use marketing/social media to help publicise our strengths and the good things we are doing more widely to ensure our communities are aware of our successes.

Ideas from professional forums and seminars that share ideas on income generation are considered and adopted where possible and effective.

The premises are let to community sports/music/dance groups and clubs. The Trust works very closely with the local community and we have managed to raise income for some projects by successfully bidding to local charities for additional funding.

Operational cash is held in a high interest current account. Reserves have been invested in higher interest instant access account. We continually look at investment opportunities to maximise the potential of these cash reserves.

BEDFORDSHIRE SCHOOLS TRUST LIMITED

(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Multi-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 Bedfordshire Schools Trust Limited for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Mazars LLP, the external auditor, to perform additional checks.

The auditor's role includes giving advice on financial matters and performing a range of checks on the Multi Academy Trust's financial systems. On an annual basis, the 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. An internal review is conducted annually and this year tested our purchasing systems. There were no material control issues and the results were reported through the Finance and Audit Committee to the Trustee Board.

BEDFORDSHIRE SCHOOLS TRUST LIMITED

(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Review of effectiveness

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

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

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

Approved by order of the members of the Board of Trustees on 5 December 2018 and signed on their behalf, by:



Ilona Bond
Trustee



Alan Lee
Accounting Officer

BEDFORDSHIRE SCHOOLS TRUST LIMITED
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Alan Lee
Accounting Officer

Date: 5 December 2018

BEDFORDSHIRE SCHOOLS TRUST LIMITED

(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who act as governors of Bedfordshire Schools Trust Limited ("BEST") and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education and 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 the Group 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:

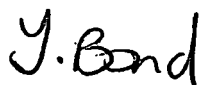
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the Group 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 the Group 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 and the Group 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 Group'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 and signed on its behalf by:



Ilona Bond
Chair of Trustees

Date: 5 December 2018

BEDFORDSHIRE SCHOOLS TRUST LIMITED

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BEDFORDSHIRE SCHOOLS TRUST LIMITED

Opinion

We have audited the financial statements of (the 'parent academy') and its subsidiaries (the 'group') for the year ended 31 August 2018 which comprise the Group Consolidated statement of financial activities incorporating income and expenditure account, the Group Consolidated balance sheet, the Group Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies.

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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 Group's or the parent Multi-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.

BEDFORDSHIRE SCHOOLS TRUST LIMITED

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BEDFORDSHIRE SCHOOLS TRUST LIMITED

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 Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 and the Group strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and the parent Multi-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:

- the parent Multi-Academy Trust has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Multi-Academy Trust 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.

BEDFORDSHIRE SCHOOLS TRUST LIMITED

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BEDFORDSHIRE SCHOOLS TRUST LIMITED

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 20, the Trustees (who are also the directors of the Multi-Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent Multi-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 Group or the parent Multi-Academy Trust or to cease operations, or have no realistic alternative but to do so.


Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Multi-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 Multi-Academy Trust's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Multi-Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Vincent Marke (Senior statutory auditor)

for and on behalf of

Mazars LLP

Chartered Accountants
Statutory Auditor

The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date: 11 December 2018

BEDFORDSHIRE SCHOOLS TRUST LIMITED

(A company limited by guarantee)

INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO BEDFORDSHIRE SCHOOLS TRUST LIMITED AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 1 August 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 Bedfordshire Schools Trust Limited 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 Bedfordshire Schools Trust Limited and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Bedfordshire Schools Trust Limited 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 Bedfordshire Schools Trust Limited and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Bedfordshire Schools Trust Limited's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Bedfordshire Schools Trust Limited's funding agreement with the Secretary of State for Education dated 28 February 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.

BEDFORDSHIRE SCHOOLS TRUST LIMITED
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO
BEDFORDSHIRE SCHOOLS TRUST LIMITED AND THE EDUCATION AND SKILLS
FUNDING AGENCY (continued)**

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 Multi-Academy Trust's income and expenditure.

A summary of the work we have undertaken is as follows:

- Planned our assurance procedures including identifying key risks;
- Carried out sample testing on controls;
- Carried out substantive testing including analytical review; and
- Concluded on procedures carried out.

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.

Mazars LLP

Mazars LLP

Chartered Accountants
Statutory Auditor

The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date: *11 December 2018*

BEDFORDSHIRE SCHOOLS TRUST LIMITED
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME
AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
INCOME FROM:						
Voluntary income	2	885	(272)	3,758	4,371	6,419
Activities for generating income	3	1,102	-	-	1,102	751
Investment income	4	6	-	-	6	10
Funding for educational operations	5	-	21,248	2,335	23,583	20,722
Other income	6	-	852	-	852	846
TOTAL INCOME		1,993	21,828	6,093	29,914	28,748
EXPENDITURE ON:						
Other expenditure	7	-	892	-	892	885
Charitable activities		794	21,238	735	22,767	20,736
Costs of generating voluntary income		715	-	-	715	737
TOTAL EXPENDITURE	8	1,509	22,130	735	24,374	22,358
NET BEFORE TRANSFERS		484	(302)	5,358	5,540	6,390
Transfers between Funds	20	(198)	(77)	275	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		286	(379)	5,633	5,540	6,390
Actuarial gains on defined benefit pension schemes	25	-	1,084	-	1,084	1,838
NET MOVEMENT IN FUNDS		286	705	5,633	6,624	8,228
RECONCILIATION OF FUNDS:						
Total funds brought forward		559	3,451	49,020	53,030	44,802
TOTAL FUNDS CARRIED FORWARD		845	4,156	54,653	59,654	53,030

The notes on pages 31 to 61 form part of these financial statements.

BEDFORDSHIRE SCHOOLS TRUST LIMITED

Registered number: 07546141

(A company limited by guarantee)**CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2018**

	Note	£000	2018 £000	2017 £000
FIXED ASSETS				
Tangible assets	15		59,947	54,278
CURRENT ASSETS				
Debtors	16	584		1,344
Cash and cash equivalents		3,454		3,110
		<u>4,038</u>		<u>4,454</u>
CREDITORS: amounts falling due within one year	17	<u>(1,236)</u>		<u>(2,462)</u>
NET CURRENT ASSETS			2,802	1,992
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>62,749</u>	<u>56,270</u>
CREDITORS: amounts falling due after more than one year	18		<u>(438)</u>	<u>(262)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			62,311	56,008
Defined benefit pension scheme liability	25		<u>(2,657)</u>	<u>(2,978)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>59,654</u>	<u>53,030</u>
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	20	6,813		6,429
Restricted fixed asset funds	20	54,653		49,020
		<u></u>		<u></u>
Restricted income funds excluding pension liability		61,466		55,449
Pension reserve		<u>(2,657)</u>		<u>(2,978)</u>
Total restricted income funds			58,809	52,471
Unrestricted income funds	20		845	559
TOTAL FUNDS			<u>59,654</u>	<u>53,030</u>

The financial statements on pages 26 to 61 were approved by the Trustees, and authorised for issue, on 5 December 2018 and are signed on their behalf, by:



Ilona Bond
Chair of Trustees

The notes on pages 31 to 61 form part of these financial statements.

BEDFORDSHIRE SCHOOLS TRUST LIMITED

Registered number: 07546141

(A company limited by guarantee)**MULTI-ACADEMY TRUST BALANCE SHEET
AS AT 31 AUGUST 2018**

	Note	£000	2018 £000	£000	2017 £000
FIXED ASSETS					
Tangible assets	15		54,656		48,950
CURRENT ASSETS					
Debtors	16	483		1,269	
Cash at bank and in hand		3,085		2,769	
		<u>3,568</u>		<u>4,038</u>	
CREDITORS: amounts falling due within one year	17	<u>(1,111)</u>		<u>(2,395)</u>	
NET CURRENT ASSETS			2,457		1,643
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>57,113</u>		<u>50,593</u>
CREDITORS: amounts falling due after more than one year	18		<u>(438)</u>		<u>(262)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			56,675		50,331
Defined benefit pension scheme liability	25		<u>(2,657)</u>		<u>(2,978)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>54,018</u>		<u>47,353</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds		1,175		750	
Restricted fixed asset funds		54,653		49,020	
Restricted funds excluding pension asset		<u>55,828</u>		<u>49,770</u>	
Pension reserve		<u>(2,657)</u>		<u>(2,978)</u>	
Total restricted funds			53,171		46,792
Unrestricted funds			847		561
TOTAL FUNDS			<u>54,018</u>		<u>47,353</u>

The Multi-Academy Trust has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The surplus for the year in the income and expenditure account in the accounts of the Multi-Academy Trust was £5,583k (2017 - £2,551k).

BEDFORDSHIRE SCHOOLS TRUST LIMITED
(A company limited by guarantee)

MULTI-ACADEMY TRUST BALANCE SHEET (continued)
AS AT 31 AUGUST 2018

The financial statements were approved by the Trustees, and authorised for issue, on 5 December 2018 and are signed on their behalf, by:

J. Bond

Ilona Bond
Chair of Trustees

The notes on pages 31 to 61 form part of these financial statements.

BEDFORDSHIRE SCHOOLS TRUST LIMITED
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	22	<u>704</u>	<u>(405)</u>
Cash flows from investing activities:			
Interest receivable		6	10
Purchase of tangible fixed assets		(2,722)	(2,089)
Capital grants from DfE and other capital income		2,344	1,968
Cash acquired on assuming control		-	358
Cash acquired on new academy entering the MAT		<u>17</u>	<u>-</u>
Net cash (used in)/provided by investing activities		<u>(355)</u>	<u>247</u>
Cash flows from financing activities:			
Finance lease interest		(5)	(5)
Finance lease payments		<u>-</u>	<u>(37)</u>
Net cash used in financing activities		<u>(5)</u>	<u>(42)</u>
Change in cash and cash equivalents in the year		<u>344</u>	<u>(200)</u>
Cash and cash equivalents brought forward		<u>3,110</u>	<u>3,310</u>
Cash and cash equivalents carried forward	23	<u><u>3,454</u></u>	<u><u>3,110</u></u>

The notes on pages 31 to 61 form part of these financial statements.

BEDFORDSHIRE SCHOOLS TRUST LIMITED

(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

Bedfordshire Schools Trust Limited constitutes a public benefit entity as defined by FRS 102.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the Multi-Academy Trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Multi-Academy Trust alone as permitted by section 408 of 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 Multi-Academy Trust at the discretion of the Trustees.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

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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 Multi-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 on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

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

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.

1.4 Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the Multi-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 Multi-Academy Trust's educational operations, including support costs and those costs relating to the governance of the Multi-Academy Trust appointed to charitable activities.

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

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

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

1.6 Basis of consolidation

The financial statements consolidate the accounts of Bedfordshire Schools Trust Limited and all of its subsidiary undertakings ('subsidiaries').

The Multi-Academy Trust has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The surplus for the year in the income and expenditure account in the accounts of the Multi-Academy Trust was £5,583k (2017 - £2,551k).

1.7 Tangible fixed assets and depreciation

All assets costing more than £2k 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 and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Leasehold property	-	Over the period of the lease
Asset under the course of construction	-	No depreciation
Furniture and fixtures	-	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.

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

1. ACCOUNTING POLICIES (continued)

1.8 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Multi-Academy Trust. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.9 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.10 Taxation

The Multi-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 Multi-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 after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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 Multi-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.

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

1. ACCOUNTING POLICIES (continued)

1.14 Financial instruments

The Multi-Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Multi-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. Amounts due to the Multi-Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Multi-Academy Trust's wholly owned subsidiary are held at face value less any impairment.

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

1. ACCOUNTING POLICIES (continued)

1.15 Pension

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Multi-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 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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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 Multi-Academy Trust 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 25, 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:

Depreciation rates have been set by management, based on the estimate useful life of the assets, using prior experience and long term planning.

Donated assets are accounted for at fair value (valued by qualified experts as necessary such as the ESFA for land and building valuations), and the value of donated assets is reflected in the financial statements. Further commentary is included in note 2.

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

2. VOLUNTARY INCOME

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Donation on assuming control	-	-	-	-	5,716
Donation on new academy entering the MAT	-	(272)	3,758	3,486	-
Donations	10	-	-	10	-
School fund income	875	-	-	875	703
	<u>885</u>	<u>(272)</u>	<u>3,758</u>	<u>4,371</u>	<u>6,419</u>
Total 2017	<u>703</u>	<u>5,716</u>	<u>-</u>	<u>6,419</u>	

From 1 September 2016, Bedfordshire East Schools Trust Limited and Bedfordshire East Schools Trust Nurseries Limited became a subsidiary of the Multi-Academy Trust by virtue of control. Donation on assuming control in the prior year represents the pre-acquisition reserves/funds of the entities which have been restricted to the entities' own activities.

From 1 September 2017, St Christopher's Academy joined the Multi-Academy Trust. The donation on new academy entering the MAT is the net assets of the academy at this date (£1,675K) plus an uplift of the property valuation to match the ESFA valuation (£1,811K).

3. ACTIVITIES FOR GENERATING INCOME

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Hire of facilities	31	-	31	23
Other income	317	-	317	285
Staff recharges	157	-	157	1
Catering income	597	-	597	442
	<u>1,102</u>	<u>-</u>	<u>1,102</u>	<u>751</u>
Total 2017	<u>751</u>	<u>-</u>	<u>751</u>	

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

4. INVESTMENT INCOME

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Bank interest received	6	-	6	10
	<u>6</u>	<u>-</u>	<u>6</u>	<u>10</u>
Total 2017	<u>10</u>	<u>-</u>	<u>10</u>	

5. FUNDING FOR EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
DfE/ESFA revenue grants				
General Annual grants	-	18,541	18,541	16,583
Start up grants	-	25	25	-
Other DfE/ESFA grants	-	926	926	755
Local authority grants	-	516	516	470
Educational consultancy services	-	330	330	547
Capital grants	-	3,244	3,244	2,366
	<u>-</u>	<u>23,582</u>	<u>23,582</u>	<u>20,721</u>
Total 2017	<u>-</u>	<u>20,722</u>	<u>20,722</u>	

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

6. OTHER INCOME

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Charity income	-	87	87	83
Nursery income	-	765	765	763
	-	852	852	846
Total 2017	-	846	846	

Charity income - relates to the charitable income for the subsidiary, Bedfordshire East Schools Trust Limited.

Nursery income - relates to the trading income for the subsidiary, Bedfordshire East Schools Trust Nurseries Limited.

7. OTHER EXPENDITURE

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Charity expenditure	-	186	186	149
Nursery expenditure	-	706	706	736
	-	892	892	885
Total 2017	-	885	885	

Charity expenditure - relates to the charitable expenditure for the subsidiary, Bedfordshire East Schools Trust Limited.

Nursery expenditure - relates to the trading expenditure for the subsidiary, Bedfordshire East Schools Trust Nurseries Limited.

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

8. EXPENDITURE

Total expenditure

	Staff costs £000	Other costs £000	2018 £000	2017 £000
Direct costs	14,394	1,895	16,289	15,463
Support costs	2,600	4,593	7,193	6,010
Other expenditure (see note 7)	513	379	892	885
	<u>17,507</u>	<u>6,867</u>	<u>24,374</u>	<u>22,358</u>

Analysis of support costs

	2018 £000	2017 £000
Support staff costs	2,600	1,984
Catering costs	479	325
Premises costs	2,760	2,618
Other support costs	1,322	1,053
Governance costs	32	30
	<u>7,193</u>	<u>6,010</u>

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets:		
- owned by the charitable group	810	711
- held under finance leases	3	44
Operating lease rentals - PFI	857	820
Operating lease rentals - other	135	117
	<u>1,805</u>	<u>1,692</u>

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

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018	2017
	£000	£000
Wages and salaries	12,880	11,359
Social security costs	1,186	1,064
Pension costs	2,679	2,354
	<u>16,745</u>	<u>14,777</u>
Nursery staff costs	513	540
Agency supply cover	116	151
Apprenticeship levy	50	18
	<u>17,424</u>	<u>15,486</u>

Staff restructuring costs comprise:

	2018	2017
	£000	£000
Redundancy payments	<u>51</u>	<u>95</u>

b. Staff numbers

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

	2018	2017
	No.	No.
Teaching staff	239	241
Non-teaching staff	255	247
	<u>494</u>	<u>488</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	6	5
In the band £70,001 - £80,000	2	3
In the band £80,001 - £90,000	1	2
In the band £90,001 - £100,000	1	0
In the band £100,001 - £110,000	1	0
In the band £140,001 - £150,000	0	1
In the band £150,001 - £160,000	1	0

10 (2017 - 11) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for these staff amounted to £156k (2017 - £122k).

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

10. STAFF COSTS (continued)

d. Key management personnel

The key management personnel of the multi-academy trust comprise the Trustees and the senior management team as listed on page 1. During 2018 there were 12 key management personnel (2017 - 11). The total amount of employee benefits received by key management personnel for their services to the academy trust was £935k (2017 - £843k).

11. CENTRAL SERVICES

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

- School improvement support
- Capital resources and operations support
- Finance
- HR and payroll
- IT
- Head office rental
- Head office admin costs

There is a central team that provides these functions across the whole Trust removing the need for duplicating roles and tasks in each academy and therefore providing economies of scale. The school improvement support provides internal and external specialists.

In 2017 and 2018 the Trust determined the charge by applying a flat rate of 5%.

The actual amounts charged during the year were as follows:

	2018 £000
Samuel Whitbread Academy	397
Robert Bloomfield Academy	181
Etonbury Academy	167
Gothic Mede Academy	55
Langford Village Academy	31
Gravenhurst Academy	15
St Christopher's Academy	44
	<hr/>
	890
	<hr/>

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

12. 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 Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018 £000	2017 £000
Alan Lee	Remuneration	155-160	145-150
	Pension contributions paid	25-30	20-25
Sharon Jeffs	Remuneration	60-65	Appointed
	Pension contributions paid	5-10	in 2018

During the year, Trustees received reimbursement of expenses of £1k (2017 - £1k).

13. PENSION FINANCE INCOME / (COST)

	2018 £000	2017 £000
Interest income on pension scheme assets	(283)	134
Interest on pension scheme liabilities	200	(224)
	<u>(83)</u>	<u>(90)</u>

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000k on any one claim and the cost for the year ended 31 August 2018 was £3k (2017 - £4k).

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

15. TANGIBLE FIXED ASSETS

Group	Long-term leasehold property £000	Asset under the course of const'n £000	Fixtures and fittings £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost						
At 1 September 2017	53,653	1,910	709	429	13	56,714
Additions	251	2,399	60	13	-	2,723
Transfers in on new academy entering the MAT (note 2)	3,742	-	16	-	-	3,758
Transfer between classes	4,160	(4,232)	12	60	-	-
At 31 August 2018	61,806	77	797	502	13	63,195
Depreciation						
At 1 September 2017	1,865	-	257	306	8	2,436
Charge for the year	601	-	134	74	3	812
At 31 August 2018	2,466	-	391	380	11	3,248
Net book value						
At 31 August 2018	59,340	77	406	122	2	59,947
At 31 August 2017	51,788	1,910	452	123	5	54,278

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

Group	2018 £000	2017 £000
Long-term leasehold property (solar panels)	266	405
Motor vehicles	4	5
	<u>270</u>	<u>410</u>

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

15. TANGIBLE FIXED ASSETS (continued)

Multi-academy trust	Long-term leasehold property £000	Asset under the course of const'n £000	Fixtures and fittings £000	Computer equipment £000	Motor vehicles £000
Cost					
At 1 September 2017	48,213	1,910	678	429	13
Additions	251	2,399	21	13	-
Transfers in on new academy entering the MAT (note 2)	3,742	-	16	-	-
Transfer between classes	4,160	(4,232)	12	60	-
At 31 August 2018	56,366	77	727	502	13
Depreciation					
At 1 September 2017	1,739	-	242	306	6
Charge for the year	533	-	126	74	3
At 31 August 2018	2,272	-	368	380	9
Net book value					
At 31 August 2018	54,094	77	359	122	4
At 31 August 2017	46,474	1,910	436	123	7

Multi-academy trust	Total £000
Cost	
At 1 September 2017	51,243
Additions	2,684
Transfers in on new academy entering the MAT (note 2)	3,758
Transfer between classes	-
At 31 August 2018	57,685
Depreciation	
At 1 September 2017	2,293
Charge for the year	736
At 31 August 2018	3,029
Net book value	
At 31 August 2018	54,656
At 31 August 2017	48,950

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

15. TANGIBLE FIXED ASSETS (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £000	2017 £000
Multi-academy trust		
Long-term leasehold property (solar panels)	266	405
Motor vehicles	4	5
	<u>270</u>	<u>410</u>

16. DEBTORS

	<u>Group</u>		<u>Multi-academy trust</u>	
	2018 £000	2017 £000	2018 £000	2017 £000
Trade debtors	120	321	33	260
Other debtors	282	822	286	822
Prepayments and accrued income	182	201	164	187
	<u>584</u>	<u>1,344</u>	<u>483</u>	<u>1,269</u>

17. CREDITORS: Amounts falling due within one year

	<u>Group</u>		<u>Multi-academy trust</u>	
	2018 £000	2017 £000	2018 £000	2017 £000
Net obligations under finance leases and hire purchase contracts	39	16	39	16
Trade creditors	593	805	512	783
Other taxation and social security	301	273	300	265
Other creditors	27	493	27	493
Accruals and deferred income	276	875	233	838
	<u>1,236</u>	<u>2,462</u>	<u>1,111</u>	<u>2,395</u>

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

18. CREDITORS: Amounts falling due after more than one year

	Group		Multi-academy trust	
	2018 £000	2017 £000	2018 £000	2017 £000
Net obligations under finance leases and hire purchase contracts	238	262	238	262
Other creditors	200	-	200	-
	<u>438</u>	<u>262</u>	<u>438</u>	<u>262</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	Group		Multi-academy trust	
	2018 £000	2017 £000	2018 £000	2017 £000
Repayable by instalments	65	100	65	100

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	Group		Multi-academy trust	
	2018 £000	2017 £000	2018 £000	2017 £000
Between one and five years	232	162	232	162
After five years	7	100	7	100
	<u>239</u>	<u>262</u>	<u>239</u>	<u>262</u>

19. GROUP FINANCIAL INSTRUMENTS

	2018 £000	2017 £000
Financial assets measured at fair value through income and expenditure	3,454	3,110
Financial assets measured at amortised cost	408	1,143
	<u>3,862</u>	<u>4,253</u>
Financial liabilities measured at amortised cost	<u>1,166</u>	<u>1,391</u>

Financial assets measured at fair value through income and expenditure comprise of cash and cash equivalents.

Financial assets measured at amortised cost comprise of trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise of net obligations under finance leases, trade creditors, other creditors and accruals.

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

20. STATEMENT OF FUNDS

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Designated funds						
RBA School Fund	129	489	(440)	-	-	178
ETA School Fund	41	315	(211)	-	-	145
GMA School Fund	9	23	(21)	-	-	11
LVA School Fund	9	21	(20)	-	-	10
SCA School Fund	-	27	(22)	-	-	5
Sink Fund	-	-	-	40	-	40
	<u>188</u>	<u>875</u>	<u>(714)</u>	<u>40</u>	<u>-</u>	<u>389</u>
General funds						
General unrestricted funds	<u>371</u>	<u>1,118</u>	<u>(795)</u>	<u>(238)</u>	<u>-</u>	<u>456</u>
Total Unrestricted funds	<u>559</u>	<u>1,993</u>	<u>(1,509)</u>	<u>(198)</u>	<u>-</u>	<u>845</u>
Restricted funds						
General Restricted Funds	<u>274</u>	<u>19,912</u>	<u>(19,869)</u>	<u>-</u>	<u>-</u>	<u>317</u>
School Condition Allowance	<u>76</u>	<u>910</u>	<u>(457)</u>	<u>-</u>	<u>-</u>	<u>529</u>
RBA Teaching School	<u>402</u>	<u>330</u>	<u>(326)</u>	<u>(77)</u>	<u>-</u>	<u>329</u>
Subsidiary - Bedfordshire East Schools Trust Limited	<u>5,640</u>	<u>87</u>	<u>(185)</u>	<u>-</u>	<u>-</u>	<u>5,542</u>
Subsidiary - Bedfordshire East Schools Trust Nurseries Limited	<u>37</u>	<u>765</u>	<u>(706)</u>	<u>-</u>	<u>-</u>	<u>96</u>
Pension reserve	<u>(2,978)</u>	<u>(176)</u>	<u>(587)</u>	<u>-</u>	<u>1,084</u>	<u>(2,657)</u>
	<u>3,451</u>	<u>21,828</u>	<u>(22,130)</u>	<u>(77)</u>	<u>1,084</u>	<u>4,156</u>

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

20. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Restricted Fixed Asset Funds - all funds	48,949	3,759	(727)	2,674	-	54,655
Transforming Education Phase 2	79	2,234	(8)	(2,348)	-	(43)
Transforming Education Free School	(8)	100	-	(51)	-	41
	<u>49,020</u>	<u>6,093</u>	<u>(735)</u>	<u>275</u>	<u>-</u>	<u>54,653</u>
Total restricted funds	<u>52,471</u>	<u>27,921</u>	<u>(22,865)</u>	<u>198</u>	<u>1,084</u>	<u>58,809</u>
Total of funds	<u>53,030</u>	<u>29,914</u>	<u>(24,374)</u>	<u>-</u>	<u>1,084</u>	<u>59,654</u>

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

Designated Funds

The schools maintain separate School Funds to manage income and expenditure for school trips and other activities. The SWA and GHA school funds are incorporated charities and are therefore not shown in the financial statements of BEST. A sink fund has been set up by the Trustees in relation to the ETA building.

General Fund

This represents income and expenditure relating to activities undertaken by the Academies as part of their charitable aims. The Academies can use these funds for any purpose.

Restricted Funds

The Academies received a number of grants during the year for the purpose of providing educational services to their pupils. These funds included grants from the ESFA for the General Annual Grant (GAG), Pupil Premium and Special Educational Needs grants from the Local Authority. These grants have been used for staff costs, educational resources and general costs incurred in the running of the Academies.

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

The School Condition Allowance (previously known as the Academy Capital Maintenance Fund or Condition Improvement Fund), the RBA Teaching School and Pension reserve are shown separately to GAG. A transfer from the RBA teaching school was made during the year to correct an over allocation.

The reserves of the subsidiaries (refer to note 30) are reflected as separate reserves.

Restricted Fixed Asset Funds

Fixed Asset Funds are reflective of the net book value of tangible fixed assets held by BEST. A transfer has been made to Restricted Fixed Asset funds for fixed assets acquired from general funds. The fixed assets are for the furtherance of the Academy's objectives.

The Transforming Education project at ETA is finished with Phase 2 build completed this year and the reserve will come to an end during the next financial year. The Trust's bid for a Free School was successful and we are working with Central Bedfordshire to provide pupil places for September 2019.

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

20. STATEMENT OF FUNDS (continued)

ANALYSIS OF FUND BALANCES BY ACADEMIES, CENTRAL FUNDS AND SUBSIDIARIES

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £000	Total 2017 £000
Samuel Whitbread Academy	(125)	24
Robert Bloomfield Academy	238	255
Etonbury Academy	312	(61)
Gravenhurst Academy	168	150
Gothic Mede Academy	413	379
Langford Village Academy	112	91
St Christopher's Academy	(68)	-
Central Fund - Centralised Function	111	70
Central Fund - Teaching School	330	403
Central Fund - School Condition Allowance	529	-
Subsidiary - Bedfordshire East Schools Trust Limited	5,542	5,640
Subsidiary - Bedfordshire East Schools Trust Nurseries Limited	96	37
Total before fixed asset fund and pension reserve	7,658	6,988
Restricted fixed asset fund of the MAT	54,653	49,020
Pension reserve	(2,657)	(2,978)
Total	59,654	53,030

ANALYSIS OF COSTS BY ACADEMIES, EXCLUDING DEPRECIATION

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciat- ion £000	Total 2018 £000	Total 2017 £000
Samuel Whitbread Academy	5,767	440	536	1,461	8,204	8,275
Robert Bloomfield Academy	2,972	499	91	982	4,544	4,462
Etonbury Academy	2,837	448	110	853	4,248	3,573
Gravenhurst Academy	156	45	9	71	281	344
Gothic Mede Academy	925	199	45	175	1,344	1,410
Langford Village Academy	508	116	12	129	765	746
St Christopher's Academy	768	52	40	253	1,113	-
	13,933	1,799	843	3,924	20,499	18,810

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

20. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
Designated funds						
RBA School Fund	167	431	(469)	-	-	129
ETA School Fund	35	231	(225)	-	-	41
GMA School Fund	13	23	(27)	-	-	9
LVA School Fund	7	18	(16)	-	-	9
	<u>222</u>	<u>703</u>	<u>(737)</u>	<u>-</u>	<u>-</u>	<u>188</u>
General Funds - all funds	<u>554</u>	<u>761</u>	<u>(622)</u>	<u>(322)</u>	<u>-</u>	<u>371</u>
Restricted funds						
General Annual Grant (GAG)	570	17,709	(18,118)	113	-	274
School Condition Allowance	213	498	(447)	(188)	-	76
RBA Teaching School Subsidiary - Bedfordshire East Schools Trust Limited	263	547	(408)	-	-	402
	-	5,789	(149)	-	-	5,640
Subsidiary - Bedfordshire East Schools Trust Nurseries Limited	-	773	(736)	-	-	37
Pension reserve	(4,357)	-	(459)	-	1,838	(2,978)
	<u>(3,311)</u>	<u>25,316</u>	<u>(20,317)</u>	<u>(75)</u>	<u>1,838</u>	<u>3,451</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	47,611	-	(682)	2,020	-	48,949
Transforming Education Phase 1	(265)	24	-	241	-	-
Transforming Education Phase 2	(6)	1,944	-	(1,859)	-	79
Transforming Education Free School	(3)	-	-	(5)	-	(8)
	<u>47,337</u>	<u>1,968</u>	<u>(682)</u>	<u>397</u>	<u>-</u>	<u>49,020</u>
Total restricted funds	<u>44,026</u>	<u>27,284</u>	<u>(20,999)</u>	<u>322</u>	<u>1,838</u>	<u>52,471</u>
Total of funds	<u>44,802</u>	<u>28,748</u>	<u>(22,358)</u>	<u>-</u>	<u>1,838</u>	<u>53,030</u>

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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 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Designated funds						
RBA School Fund	167	920	(909)	-	-	178
ETA School Fund	35	546	(436)	-	-	145
GMA School Fund	13	46	(48)	-	-	11
LVA School Fund	7	39	(36)	-	-	10
SCA School Fund	-	27	(22)	-	-	5
Sink Fund	-	-	-	40	-	40
	<u>222</u>	<u>1,578</u>	<u>(1,451)</u>	<u>40</u>	<u>-</u>	<u>389</u>
General funds						
General Funds - all funds	554	761	(622)	(322)	-	371
	-	1,118	(795)	(238)	-	85
Total Unrestricted funds	<u>776</u>	<u>3,457</u>	<u>(2,868)</u>	<u>(520)</u>	<u>-</u>	<u>845</u>
Restricted funds						
General Annual Grant (GAG)	570	37,621	(37,987)	113	-	317
School Condition Allowance	213	1,408	(904)	(188)	-	529
RBA Teaching School	263	877	(734)	(77)	-	329
Subsidiary - Bedfordshire East Schools Trust Limited	-	5,876	(334)	-	-	5,542
Subsidiary - Bedfordshire East Schools Trust Nurseries Limited	-	1,538	(1,442)	-	-	96
Pension reserve	(4,357)	(176)	(1,046)	-	2,922	(2,657)
	<u>(3,311)</u>	<u>47,144</u>	<u>(42,447)</u>	<u>(152)</u>	<u>2,922</u>	<u>4,156</u>

BEDFORDSHIRE SCHOOLS TRUST LIMITED

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

20. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Restricted Fixed Asset Funds - all funds	47,611	3,759	(1,409)	4,694	-	54,655
Transforming Education Phase 1	(265)	24	-	241	-	-
Transforming Education Phase 2	(6)	4,178	(8)	(4,207)	-	(43)
Transforming Education Free School	(3)	100	-	(56)	-	41
	<u>47,337</u>	<u>8,061</u>	<u>(1,417)</u>	<u>672</u>	<u>-</u>	<u>54,653</u>
	<u>44,026</u>	<u>55,205</u>	<u>(43,864)</u>	<u>520</u>	<u>2,922</u>	<u>58,809</u>
Total of funds	<u>44,802</u>	<u>58,662</u>	<u>(46,732)</u>	<u>-</u>	<u>2,922</u>	<u>59,654</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	5,289	54,656	59,945
Current assets	845	3,154	41	4,040
Creditors due within one year	-	(1,193)	(43)	(1,236)
Creditors due in more than one year	-	(438)	-	(438)
Provisions for liabilities and charges	-	(2,657)	-	(2,657)
	<u>845</u>	<u>4,156</u>	<u>54,653</u>	<u>59,654</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	5,330	48,949	54,279
Current assets	559	3,823	71	4,453
Creditors due within one year	-	(2,462)	-	(2,462)
Creditors due in more than one year	-	(262)	-	(262)
Provisions for liabilities and charges	-	(2,978)	-	(2,978)
	<u>559</u>	<u>3,451</u>	<u>49,020</u>	<u>53,030</u>

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

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

	Group	
	2018	2017
	£000	£000
Net income for the year (as per Statement of Financial Activities)	5,540	6,390
Adjustment for:		
Depreciation charges	811	756
Interest receivable	(6)	(10)
Interest paid	5	5
Donation on assuming control	-	(5,716)
Donation on new academy entering the MAT	(3,662)	-
Decrease/(increase) in debtors	755	(357)
Decrease in creditors	(1,168)	(25)
Capital grants from DfE and other capital income	(2,334)	(1,968)
FRS102 pension adjustment	763	459
Loss on disposal	-	61
Net cash provided by/(used in) operating activities	704	(405)

23. CASH AND CASH EQUIVALENTS

	Group	
	2018	2017
	£000	£000
Cash at bank and in hand	3,454	3,110
Total	3,454	3,110

Multi-Academy Trust cash and cash equivalents is cash at bank and in hand of £2,769k (2016 - £3,310k).

24. GRANT FUNDED CAPITAL COMMITMENTS

At 31 August 2018 the Group and Multi-Academy Trust had capital commitments as follows:

	Group		Multi-academy trust	
	2018	2017	2018	2017
	£000	£000	£000	£000
Contracted for but not provided in these financial statements	271	4,172	271	4,172

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

25. PENSION COMMITMENTS

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £1,512K (2017 - £1,356K).

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).

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

25. PENSION COMMITMENTS (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £829K (2017 - £782K, of which employer's contributions totalled £662K (2017 - £619K and employees' contributions totalled £167K (2017 - £163K. The agreed contribution rates for future years are 24% for employers and employees' contributions are banded according to their pay scale.

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	2.70 %	2.70 %
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	22.4	22.4
Females	24.5	24.5
Retiring in 20 years		
Males	24.0	24.0
Females	26.2	26.2

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

25. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equities	5,228	4,185
Bonds	1,262	1,101
Property	811	661
Cash	1,712	1,395
	<hr/>	<hr/>
Total market value of assets	9,013	7,342
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £219k (2017 - £262k).

The amounts recognised in the Statement of financial activities are as follows:

	2018 £000	2017 £000
Current service cost	-	(992)
Interest income	(283)	134
Interest cost	200	(224)
	<hr/>	<hr/>
Total	(83)	(1,082)
	<hr/> <hr/>	<hr/> <hr/>

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

	2018 £000	2017 £000
Opening defined benefit obligation	10,320	10,646
Current service cost	1,167	-
Current service cost	-	992
Interest cost	283	224
Employee contributions	167	168
Actuarial gains	(865)	(1,710)
Effect of business combinations	598	-
	<hr/>	<hr/>
Closing defined benefit obligation	11,670	10,320
	<hr/> <hr/>	<hr/> <hr/>

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

25. PENSION COMMITMENTS (continued)

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

	2018	2017
	£000	£000
Opening fair value of scheme assets	7,342	6,289
Expected return on assets	-	134
Employer contributions	663	-
Interest income	200	-
Actuarial losses	219	128
Employer contributions	-	623
Employee contributions	167	168
Effect of business combinations	422	-
	<hr/>	<hr/>
Closing fair value of scheme assets	9,013	7,342
	<hr/>	<hr/>

26. OPERATING LEASE COMMITMENTS

	2018	2018	2017	2017
	Land and	Other	Land and	Other
	buildings		buildings	
	£000	£000	£000	£000
Within 1 year	870	187	832	136
Between 1 and 5 years	3,482	379	3,327	170
After more than 5 years	10,735	-	11,923	-
	<hr/>	<hr/>	<hr/>	<hr/>
	15,087	566	16,082	306
	<hr/>	<hr/>	<hr/>	<hr/>

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

27. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

The Multi-Academy Trust has taken advantage of the exemption available in accordance with Section 33 of Financial Reporting Standard 102 not to disclose transactions entered into between two or more members of the group.

28. POST BALANCE SHEET EVENTS

BEST is growing and Lawnside Lower School, in Biggleswade, will be joining during 2019.

29. 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 £NIL for the debts and liabilities contracted before he/she ceases to be a member.

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

30. PRINCIPAL SUBSIDIARIES

Bedfordshire East Schools Trust Limited

Subsidiary name	Bedfordshire East Schools Trust Limited
Company registration number	6865093
Charity registration number	1132611
Basis of control	By virtue of common Trustees
Total assets as at 31 August 2018	£ 5,656,511
Total liabilities as at 31 August 2018	£ (76,556)
Total funds as at 31 August 2018	£ 5,579,955
Gross income for the year ended 31 August 2018	£ 125,006
Expenditure for the year ended 31 August 2018	£ (185,965)
Deficit for the year ended 31 August 2018	£ (60,959)

Bedfordshire East Schools Trust Nurseries Limited

Subsidiary name	Bedfordshire East Schools Trust Nurseries Limited
Company registration number	07623848
Basis of control	By virtue of common Trustees/Directors
Total assets as at 31 August 2018	£ 247,000
Total liabilities as at 31 August 2018	£ (77,000)
Total equity as at 31 August 2018	£ 170,000
Turnover for the year ended 31 August 2018	£ 765,000
Expenditure for the year ended 31 August 2018	£ 705,000
Profit for the year ended 31 August 2018	£ 60,000

Included within total equity is a capital contribution reserve from Bedfordshire East Schools Trust Limited of £110,000 which has been eliminated on consolidation.