

**BRIDGNORTH AREA SCHOOLS' TRUST**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**



**Whittingham Riddell**

*chartered accountants*

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**BRIDGNORTH AREA SCHOOLS' TRUST**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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**Members** J Mondon  
D Peterson (resigned 11 March 2019)  
R Gill  
K Howell  
D Ravenscroft

**Trustees** S Godden, Exec Head<sup>1</sup>  
J Mondon, Chair<sup>1,3</sup>  
M Anderson<sup>1,2</sup>  
G Baker<sup>2</sup>  
A Crawford-Thomas<sup>2</sup>  
D Gibbons (resigned 31 August 2019)<sup>1,2</sup>  
N Hooper<sup>3,4</sup>  
V Jones<sup>1,3</sup>  
R Patey<sup>4</sup>

<sup>1</sup> Member of The Resources Committee

<sup>2</sup> Member of the Audit Committee

<sup>3</sup> Member of the Pay, Performance Management and Personnel Committee

<sup>4</sup> Member of the Standards Committee

**Company registered number** 09617166

**Company name** Bridgnorth Area Schools' Trust

**Principal and registered office** Oldbury Wells School  
Bridgnorth  
Shropshire  
WV16 5JD

**Chief executive officer** S Godden

**Senior management team** S Godden, Executive Headteacher (Oldbury Wells School)  
P O'Malley, Headteacher (Alveley Primary School)  
K Ferriday, Headteacher (St Leonard's CE Primary School)  
J Hampson, Headteacher (Castlefields Primary School)  
K Cook, Director of Finance and Business

**Independent auditors** Whittingham Riddell LLP  
Chartered Accountants  
Belmont House  
Shrewsbury Business Park  
Shrewsbury  
Shropshire  
SY2 6LG

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Bankers**

Lloyds Bank  
8 High Street  
Bridgnorth  
WV16 4DN

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**BRIDGNORTH AREA SCHOOLS' TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

**Structure, governance and management**

**a. Constitution**

The Multi Academy Trust ("The Trust") is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Trust.

The Trustees of Bridgnorth Area Schools' Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Bridgnorth Area Schools' Trust (BAST).

Details of the Trustees who served during the year, and to the date these accounts are approved 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.

**c. Method of recruitment and appointment or election of Trustees**

Our Trust Board is made up of directors appointed by Members, the Trust Board and the Diocese. We have three Member Directors, three Diocese Directors, the CEO and two Trust Directors.

**d. Policies adopted for the induction and training of Trustees**

An induction pack and meeting is arranged for new Trustees. Other training is provided after a need area is identified. One Trustee is responsible for this coordination.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Structure, governance and management (continued)**

**e. Organisational structure**

The Trust has a Scheme of Delegation which reserves some decisions to Trustees. This includes areas such as Finance, Audit and Premises matters. Policies related to staff terms and conditions are also reserved for Trustees. The Trustees organise their work into:

- Board level
- Audit Committee
- Resources Committee (Finance and Premises)
- Pay, Performance Management and Personnel Committee
- Standards Committee

Some work is devolved to the Local Governing Bodies (LGBs) in line with their Schemes of Delegation. This includes curriculum, behaviour and attendance matters. The senior teams have devolved responsibility for the day to day running of the school, strategic development, monitoring and reporting.

The Trust has four schools. One secondary school, Oldbury Wells School, the founding member of the Trust. It has 'low delegation' to its LGB. Alveley Primary School is a sponsored school and it has 'low delegation' to its LGB. Castlefields Primary School and St Leonards CE Primary School operate with 'high delegation' to their LGBs.

**f. Arrangements for setting pay and remuneration of key management personnel**

The Board of Trustees follows an adjusted policy based on the LA agreed Pay Policy which is endorsed annually by the trade unions with regard to the setting of key management personnel pay.

Following performance management meetings (comprising performance management governors, School Improvement Partner and key management personnel) pay recommendations within the wage bands are set. Performance management outcomes are assessed in line with evidence that targets have been met and pay progression recommendations are then recommended by the Pay, Performance Management and Personnel Committee and endorsed by the Resources Committee or managed by the relevant committee of the LGB in the case of the high delegation schools.

**g. Related parties and other connected charities and organisations**

The Trust works with Idsall School and William Brookes School to jointly deliver/support some Key Stage 4 vocational courses. Our primary schools work with our local School Development Group primary schools to support shared educational ventures.

**h. Trade union facility time**

During the year the Trust did not have any employees who were relevant union officials.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Structure, governance and management (continued)**

**Objectives and activities**

**a. Objects and aims**

The object of the Bridgnorth Area Schools' Trust is to build on the current strengths of the founding school, Oldbury Wells and the other joining schools and to also support schooling in our area. The aims of the Trust are as follows:

1. To bring about the very best educational outcomes for our academies' students
2. To support and enrich education in our area. As a Trust we are committed to local education. Our aim is to help bring about the best learning for pupils that we can, beyond our own school gates where that is appropriate
3. To further develop and strengthen partnerships to the benefit of the Trust, whilst enabling schools to develop and strengthen individually, keeping their own unique characteristics.
4. To recognise, support and provide the Christian distinctiveness of faith schools.

**b. Objectives, strategies and activities**

1. Establish successful, independent structures and protocols, completed through the Board of Trustees, Local Governing Bodies, Senior Leadership Groups and Clerks to the Governors. Aided by the Director of Finance and Business.
2. Be a successful Sponsoring Trust, securing good and improving outcomes for all of our sponsored schools.
3. Ensure good educational outcomes for all of our schools.  
Strategic work of Senior Leadership Group and school staff in all of our schools, working with our Standards Committee.
4. Ensure good financial control. Work with auditors, accountants and Director of Finance and Business.
5. Establish further schools' partnership in our area.  
Work with local schools who may wish to collaborate and work in formal, or informal, partnership

**c. Public benefit**

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'. Each school has a specific catchment area around their locality. All catchment areas are in Shropshire. Admissions criteria are in place for each school and are found on each website.

Our Trust has allowed us to maximise spending through efficiencies and drive up educational standards. The exam results of St Leonard's CE Primary School are high, Castlefields Primary School's progress and attainment scores are high and Alveley Primary School's progress and attainment scores are also now consistently high. Oldbury Wells School's progress and attainment is very strong and significantly positive for Progress 8.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Objectives and activities (continued)**

**Strategic report**

**Achievements and performance**

**a. Key performance indicators**

**OLDBURY WELLS SCHOOL**

Key Performance Indicators: all met.

KPI: Evaluation shows current performance to be good or better (from self evaluation, Ofsted and / or external professionally accredited evaluation) Met.

KPI: Outcomes are above floor standards Met.

KPI: The LA is not working with the school (under the Protocol for Reviewing Performance of Academies) in response to significant parental or community concerns or to reported safeguarding concerns Met.

KPI: First year of entry is at 70% or higher than PAN Met.

Key Financial Performance Indicators: all met.

KFPI: Net incoming and outgoing resources for the year to be positive, prior to any depreciation charge and other recognised gains and losses Met.

KFPI: General financial stability income to match expenditure each year Met.

KFPI: The Trust Audit shows no significant risks Met.

KFPI: Overall budget outturn at the end of the financial year is within 3% of the budget set (unless variations have been ratified by the Trust Finance Committee) Met

KFPI: Staffing costs as a percentage of school income expenditure should be in the region of 80 85% Met

**ALVELEY SCHOOL**

Key Performance Indicators: all met.

KPI: Evaluation shows current performance to be good or better (from self evaluation, Ofsted and / or external professionally accredited evaluation) Met.

KPI: Outcomes are above floor standards. Met.

KPI: The LA is not working with the school (under the Protocol for Reviewing Performance of Academies) in response to significant parental or community concerns or to reported safeguarding concerns Met.

KPI: First year of entry is at 70% or higher than PAN Met.

Key Financial Performance Indicators: all met.

KFPI: Net incoming and outgoing resources for the year to be positive, prior to any depreciation charge and other recognised gains and losses Met.

KFPI: General financial stability income to match expenditure each year Met.

KFPI: The Trust Audit shows no significant risks Met.

KFPI: Overall budget outturn at the end of the financial year is within 3% of the budget set (unless variations have been ratified by the Trust Finance Committee) Met

KFPI: Staffing costs as a percentage of school income expenditure should be in the region of 80 85% Met

**CASTLEFIELDS PRIMARY SCHOOL**

Key Performance Indicators: all met.

KPI: Evaluation shows current performance to be good or better (from self evaluation, Ofsted and / or external professionally accredited evaluation) Met.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Strategic report (continued)**

**Achievements and performance (continued)**

KPI: Outcomes are above floor standards. Met.

KPI: The LA is not working with the school (under the Protocol for Reviewing Performance of Academies) in response to significant parental or community concerns or to reported safeguarding concerns Met.

KPI: First year of entry is at 70% or higher than PAN Met.

Key Financial Performance Indicators: all met.

KFPI: Net incoming and outgoing resources for the year to be positive, prior to any depreciation charge and other recognised gains and losses Met.

KFPI: General financial stability income to match expenditure each year Met.

KFPI: The Trust Audit shows no significant risks Met.

KFPI: Overall budget outturn at the end of the financial year is within 3% of the budget set (unless variations have been ratified by the Trust Finance Committee) Met

KFPI: Staffing costs as a percentage of school income expenditure should be in the region of 80 85% Met

**ST LEONARDS CE PRIMARY SCHOOL**

Key Performance Indicators: all met.

KPI: Evaluation shows current performance to be good or better (from self evaluation, Ofsted and / or external professionally accredited evaluation) Met.

KPI: Outcomes are above floor standards. Met.

KPI: The LA is not working with the school (under the Protocol for Reviewing Performance of Academies) in response to significant parental or community concerns or to reported safeguarding concerns Met.

KPI: First year of entry is at 70% or higher than PAN Met.

Key Financial Performance Indicators: all met.

KFPI: Net incoming and outgoing resources for the year to be positive, prior to any depreciation charge and other recognised gains and losses Met.

KFPI: General financial stability income to match expenditure each year Met.

KFPI: The Trust Audit shows no significant risks Met.

KFPI: Overall budget outturn at the end of the financial year is within 3% of the budget set (unless variations have been ratified by the Trust Finance Committee) Met

KFPI: Staffing costs as a percentage of school income expenditure should be in the region of 80 85% Met

**b. Going concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the 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.

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**BRIDGNORTH AREA SCHOOLS' TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Strategic report (continued)**

**Achievements and performance (continued)**

**Financial review**

**a. Reserves policy**

During the year the net movement in funds was a negative movement of £1,241,732. Excluding actuarial pension losses the net movement in funds was negative £261,732.

Net current assets have increased to £683,381 (2018: £607,463) and the closing cash position of the Trust is £1,091,441 (£1,037,313). Despite challenging times in funding the Trust continues to review its financial and cash position on a regular basis to ensure the Trust's viability going forward.

The Trustees review the level of reserves and are aware of the requirement to balance current and future needs. The Trustees always aim to set a balanced budget with annual income balancing annual expenditure. As such, the Trustees review the reserve levels of the Multi Academy Trust annually. This review encompasses the nature of income and expenditure streams.

The Multi Academy Trust's current level of free reserves excluding designated funds (total funds less the amount held in fixed assets and restricted funds) is £70,742. (2018: £73,407). Trustees will seek to invest these free reserves in line with strategic objectives.

The total funds held at 31 August 2019 were £6,115,004 (2018: £7,356,776). Of this designated and unrestricted funds totalled £366,077 (2018: £293,407).

**b. Principal risks and uncertainties**

The Trustees have assessed the major risks to which the Multi Academy is exposed. These include; specific teaching, provision of facilities and other operational areas of the Multi Academy and its finances. The Trustees have implemented a number of systems to address the risks that the Multi Academy faces especially in the areas relating to teaching, ICT, health and safety and internal financial controls.

**Fundraising**

The Trust does not engage in official fundraising methods or use third parties to fundraise on their behalf. Any fundraising income received is from voluntary donations and is donated at the donor's discretion.

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**BRIDGNORTH AREA SCHOOLS' TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Plans for future periods**

The Bridgnorth Area Schools' Trust was approved by the Department of Education to become a Multi Academy sponsor and approval was given for Alveley Primary School to join the Trust with effect from 1 November 2016. Additionally, the DFE granted approval for two further primaries to join our Trust, which occurred on 1 November 2017. These were strong schools that did not require sponsorship. The Diocese of Hereford has granted permission for a Church of England school to join the Trust, which means we have changed our Articles of Association, to Mixed MAT category. These two schools are Castlefields Primary School and St Leonards CE Primary School. All of these schools are within the Bridgnorth area within South Shropshire. During 2019 we began talks for the South Shropshire Academy Trust (SSAT) to join our Trust. This is planned for 1st September 2019 at which point Stokesay Primary School and Church Stretton Secondary School will join our Trust. Both schools are in South Shropshire.

Our experience of Alveley Primary School, Castlefields Primary School and St Leonard's CE Primary School joining our Trust means that we have reorganised our organisation. This has allowed SSAT joining the Trust to be comparatively straight forward.

On 1 September 2019, the operations and assets of two academies, Church Stretton School and Stokesay Primary School were transferred into the Trust.

**Disclosure of information to auditors**

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 11 December 2019 and signed on its behalf by:



**J Mondon**  
(Chair of Trustees)

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**BRIDGNORTH AREA SCHOOLS' TRUST**  
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**GOVERNANCE STATEMENT**

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**Scope of responsibility**

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Bridgnorth Area Schools' Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

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**BRIDGNORTH AREA SCHOOLS' TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance**

The information on governance included here supplements that described in the Trustees' report and in the statement of Trustees' responsibilities. The Board of Trustees has formally met 10 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
S Godden, Exec Head	10	10
J Mondon, Chair	10	10
M Anderson	8	10
G Baker	10	10
A Crawford-Thomas	8	10
D Gibbons	10	10
N Hooper	5	10
V Jones	6	10
R Patey	9	10

**Coverage of the Board's work, performance and data used by the Board:**

- Hear reports from Trust committees and Local Governing Bodies.
- Ratification/adoption of policies.
- Recommendation to Members to sign End of Year Accounts.
- Ratification of Budgets.
- Ratification of Terms of Reference for the LGBs.
- Ratification of Strategic Objectives for the Trust Schools.
- Received presentations from the consultants re allocation of cleaning and catering contracts.
- Initiate Trust collaborative work.
- Agreeing schemes of delegation.

**Purpose of the Resources Committee and issues dealt with:**

- Restructure of the St Leonards' Senior Leadership Team.
- Review of financial reports and ESFA returns.
- Approval of Finance Procedures Manual.
- Agreement to appointment of Auditors.
- Agreement to appointment of ground maintenance company.
- Changes and updates to contracts for services.
- Recommendation to Board to ratify Trust School Budgets.

Attendance during the year at meetings was as follows:

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
S Godden	4	4
J Mondon	4	4
V Jones	4	4
D Gibbons	1	1
M Anderson	3	3

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

**Purpose of the Audit Committee and issues dealt with in this period:**

- Review of Audit Reports.
- Acceptance of auditors Annual Service Plan.
- Receipt of Financial Scheme of Delegation.
- Adoption of Local Government Pension Scheme Discretionary Policy.
- Ratification of appropriate policies and risk management scrutiny.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
G Baker	3	3
A Crawford-Thomas	2	3
M Anderson	1	1
D Gibbons	2	2

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**BRIDGNORTH AREA SCHOOLS' TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of value for money**

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

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

- Improving educational outcomes of its students whilst operating within the financial constraints of the budget
- Looking at where economies of scale can be achieved across the Trust and looking at where costs can be reduced by the use of streamlining procurement strategies.
- Increasing collaboration between its academies, both educationally and financially, generating savings by negotiating Trust wide contracts.
- Reviewing high value contracts and undertaking tendering exercises to ensure that these contracts are assessed against the market place on a regular basis to ensure they remain competitive.
- Ensuring contracts and services are regularly reviewed and re-negotiated where appropriate to ensure value for money.
- Opportunities are explored to maximise income generation through the hire of facilities in relation to community use
- All orders continue to be checked and monitored to ensure they represent best value for money across the Trust on a continuous basis.

The Trust continues to seek and deliver efficiencies through the negotiation, and the rationalisation of its supply chain, with both the Trust and individual schools seeing the financial benefits in the 2018-19 financial year. These benefits will increase further into 2019-20 as the Trust Central Services continues to mature and give further opportunities to make efficiencies as this way of working becomes truly embedded and Headteachers become more engaged with working truly collaboratively and realising the financial benefits that allow more funding to be directed towards the educational experiences and outcomes for their pupils. In 2018-19 key areas of procurement focused on catering and cleaning. This focus will continue in the areas of large expenditure within the Trust during the 2019-20 financial year.

**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 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 Bridgnorth Area Schools' Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the 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 Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 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 Trust has an effective system of internal financial control as explained in the Statement on Internal Control. Adequate insurance has been arranged where significant financial risk remains

Key areas focused upon and those that pose the largest risks and uncertainties are outlined within the Trust's Strategic Risk Register and are regularly reviewed and updated. Actions taken to manage risk include the purchase of an appropriate level of insurance cover and seeking professional advice for example, Legal, Human Resources, and Financial advice has been sought when needed



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**GOVERNANCE STATEMENT (CONTINUED)**

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**The risk and control framework**

The 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 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 Whittingham Riddell LLP, the external auditors, to perform additional checks.

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

- Reviewing the operations of the systems of controls
- Review of procedures in place
- Reporting on their findings

On a termly basis, the auditor's report to the Board of Trustees through the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. Their internal audit service includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. Two schools are selected on a termly basis, and the auditor produces reports which are presented to the audit committee.

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**GOVERNANCE STATEMENT (CONTINUED)**

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**The risk and control framework (continued)**

**Review of effectiveness**

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

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the 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 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 11 December 2019 and signed on their behalf by:



**J Mondon**  
Chair of Trustees



**S Godden**  
Accounting Officer

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**BRIDGNORTH AREA SCHOOLS' TRUST**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Bridgnorth Area Schools' Trust I have considered my responsibility to notify the 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 Trust, under the funding agreement in place between the 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 2019.

I confirm that I and the Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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.



**S Godden, Executive Headteacher**  
Accounting Officer  
Date: 11 December 2019

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**BRIDGNORTH AREA SCHOOLS' TRUST**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 11 December 2019 and signed on its behalf by:



**J Mondon**  
Chair of Trustees

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**BRIDGNORTH AREA SCHOOLS' TRUST**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
BRIDGNORTH AREA SCHOOLS' TRUST**

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**Opinion**

We have audited the financial statements of Bridgnorth Area Schools' Trust (the 'Trust') for the year ended 31 August 2019 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

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**BRIDGNORTH AREA SCHOOLS' TRUST**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
BRIDGNORTH AREA SCHOOLS' TRUST (CONTINUED)**

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**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. 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 including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

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

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**BRIDGNORTH AREA SCHOOLS' TRUST**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
BRIDGNORTH AREA SCHOOLS' TRUST (CONTINUED)**

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**Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the 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 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 Trust or to cease operations, or have no realistic alternative but to do so.

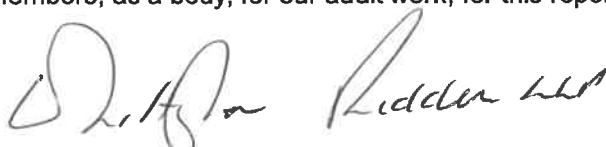
**Auditors' responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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



**Andrew Malpass BA FCA (senior statutory auditor)**

for and on behalf of

**Whittingham Riddell LLP**

Chartered Accountants

Statutory Auditors

Belmont House

Shrewsbury Business Park

Shrewsbury

Shropshire

SY2 6LG

Date:

12 December 2019

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**BRIDGNORTH AREA SCHOOLS' TRUST**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
BRIDGNORTH AREA SCHOOLS' TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 5 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bridgnorth Area Schools' Trust during the year 1 September 2018 to 31 August 2019 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 Bridgnorth Area Schools' Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Bridgnorth Area Schools' Trust and 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 Bridgnorth Area Schools' Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Bridgnorth Area Schools' Trust's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Bridgnorth Area Schools' Trust's funding agreement with the Secretary of State for Education dated 23 March 2015 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by 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 Trust's income and expenditure.



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**BRIDGNORTH AREA SCHOOLS' TRUST**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
BRIDGNORTH AREA SCHOOLS' TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY  
(CONTINUED)**

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**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Andrew Malpass BA FCA**

**Whittingham Riddell LLP**  
Belmont House  
Shrewsbury Business Park  
Shrewsbury  
Shropshire  
SY2 6LG

Date:

*12 December 2019*

**BRIDGNORTH AREA SCHOOLS' TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants	3	750	25,000	115,132	140,882	473,728
Charitable activities	4	1,700	7,861,803	-	7,863,503	7,000,144
Other trading activities	5	84,885	-	-	84,885	127,192
Investments	6	20	835	-	855	395
<b>Total income</b>		<b>87,355</b>	<b>7,887,638</b>	<b>115,132</b>	<b>8,090,125</b>	<b>7,601,459</b>
<b>Expenditure on:</b>						
Charitable activities	7,8	14,685	8,182,268	154,904	8,351,857	7,375,316
<b>Total expenditure</b>		<b>14,685</b>	<b>8,182,268</b>	<b>154,904</b>	<b>8,351,857</b>	<b>7,375,316</b>
<b>Net income/ (expenditure)</b>		<b>72,670</b>	<b>(294,630)</b>	<b>(39,772)</b>	<b>(261,732)</b>	<b>226,143</b>
Transfers between funds	17	-	(74,122)	74,122	-	-
<b>Net movement in funds before other recognised gains/(losses) carried forward</b>		<b>72,670</b>	<b>(368,752)</b>	<b>34,350</b>	<b>(261,732)</b>	<b>226,143</b>

**BRIDGNORTH AREA SCHOOLS' TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
(CONTINUED)  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Net movement in funds before other recognised gains/(losses) brought forward</b>		<b>72,670</b>	<b>(368,752)</b>	<b>34,350</b>	<b>(261,732)</b>	<b>226,143</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	22	-	(980,000)	-	(980,000)	285,000
<b>Net movement in funds</b>		<b>72,670</b>	<b>(1,348,752)</b>	<b>34,350</b>	<b>(1,241,732)</b>	<b>511,143</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		293,407	(2,341,944)	9,405,313	7,356,776	6,845,633
Net movement in funds		72,670	(1,348,752)	34,350	(1,241,732)	511,143
<b>Total funds carried forward</b>		<b>366,077</b>	<b>(3,690,696)</b>	<b>9,439,663</b>	<b>6,115,044</b>	<b>7,356,776</b>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 29 to 60 form part of these financial statements.

**BRIDGNORTH AREA SCHOOLS' TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 09617166**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	14	9,439,663	9,405,313
		<u>9,439,663</u>	<u>9,405,313</u>
<b>Current assets</b>			
Debtors	15	117,045	120,966
Cash at bank and in hand		1,091,441	1,037,313
		<u>1,208,486</u>	<u>1,158,279</u>
Creditors: amounts falling due within one year	16	(525,105)	(550,816)
<b>Net current assets</b>		<u>683,381</u>	<u>607,463</u>
<b>Total assets less current liabilities</b>		<u>10,123,044</u>	<u>10,012,776</u>
<b>Net assets excluding pension liability</b>		<u>10,123,044</u>	<u>10,012,776</u>
Defined benefit pension scheme liability	22	(4,008,000)	(2,656,000)
<b>Total net assets</b>		<u><u>6,115,044</u></u>	<u><u>7,356,776</u></u>

**BRIDGNORTH AREA SCHOOLS' TRUST**  
(A company limited by guarantee)

**BALANCE SHEET (CONTINUED)**  
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
<b>Funds of the Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	17	9,439,663	9,405,313
Restricted income funds	17	317,304	314,056
Restricted funds excluding pension asset	17	<u>9,756,967</u>	<u>9,719,369</u>
Pension reserve	17	<u>(4,008,000)</u>	<u>(2,656,000)</u>
<b>Total restricted funds</b>	17	<b>5,748,967</b>	<b>7,063,369</b>
<b>Unrestricted income funds</b>	17	<b>366,077</b>	<b>293,407</b>
<b>Total funds</b>		<b><u>6,115,044</u></b>	<b><u>7,356,776</u></b>

The financial statements on pages 24 to 60 were approved by the Trustees, and authorised for issue on 11 December 2019 and are signed on their behalf, by:



**J Mondon, Chair**

The notes on pages 29 to 60 form part of these financial statements.

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**BRIDGNORTH AREA SCHOOLS' TRUST**  
**(A company limited by guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	242,355	504,758
<b>Cash flows from investing activities</b>	20	(188,227)	(138,916)
<b>Change in cash and cash equivalents in the year</b>		54,128	365,842
Cash and cash equivalents at the beginning of the year		1,037,313	671,471
<b>Cash and cash equivalents at the end of the year</b>	21	<u>1,091,441</u>	<u>1,037,313</u>

The notes on pages 29 to 60 form part of these financial statements

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**BRIDGNORTH AREA SCHOOLS' TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**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 Trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Bridgnorth Area Schools' Trust meets the definition of a public benefit entity under FRS 102.

**1.2 Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

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**BRIDGNORTH AREA SCHOOLS' TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.3 Income**

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

• **Grants**

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Trust has provided the goods or services.

**1.4 Expenditure**

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

• **Expenditure on raising funds**

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

• **Charitable activities**

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



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**BRIDGNORTH AREA SCHOOLS' TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.4 Expenditure (continued)**

All resources expended are inclusive of irrecoverable VAT.

**1.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**1.6 Taxation**

The 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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.

**1.7 Tangible fixed assets**

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. 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 each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Long-term leasehold property	- 125 years straight line
Furniture and fittings	- 5 years straight line
Computer equipment	- 3 years straight line
Motor vehicles	- 5 years 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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**BRIDGNORTH AREA SCHOOLS' TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.8 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.

**1.9 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.

**1.10 Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**1.11 Provisions**

Provisions are recognised when the Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.12 Financial instruments**

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement bases 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 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. 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.

**1.13 Operating leases**

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

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**BRIDGNORTH AREA SCHOOLS' TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.14 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1.15 Fund accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the 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 the funders where the asset acquired or created is held for a specific purpose.

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

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

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**BRIDGNORTH AREA SCHOOLS' TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**2. 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 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.

Assumptions used in pensions valuation

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

Long term Leasehold property

The Trust's land and buildings were bought in on conversion based on the ESFA valuation reports.

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**3. Income from donations and capital grants**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
<b>Donations</b>					
Surplus/(Deficit) introduced from local authority	-	-	-	-	269,704
Pension scheme introduced on conversion	-	-	-	-	(1,216,000)
School fund introduced on conversion	-	-	-	-	12,480
Land and buildings introduced on conversion	-	-	-	-	1,326,000
<b>Balances introduced on conversion</b>	-	-	-	-	392,184
Donations	750	25,000	-	<b>25,750</b>	-
Capital grants	-	-	115,132	<b>115,132</b>	81,544
<b>Subtotal</b>	750	25,000	115,132	<b>140,882</b>	81,544
	750	25,000	115,132	<b>140,882</b>	473,728

In 2018, of total income from donations and capital grants, (£1,121,975) was to restricted funds.

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**4. Funding for the Trust's educational operations**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>DfE/ESFA Grants</b>				
General Annual Grant (GAG)	-	6,220,674	<b>6,220,674</b>	5,638,478
Student Support Services	-	464,394	<b>464,394</b>	400,641
Other DfE / ESFA Grant Income	-	63,302	<b>63,302</b>	29,200
Pupil Premium	-	264,696	<b>264,696</b>	225,560
Universal Infant Free School Meals (UIFSM)	-	87,419	<b>87,419</b>	87,292
Year 7 Catch-up Grant	-	10,951	<b>10,951</b>	10,951
Rates reclaim	-	19,762	<b>19,762</b>	27,192
PE and Sports Grant	-	53,250	<b>53,250</b>	32,247
Government - Other Grants	-	(339)	<b>(339)</b>	9,356
	-	7,184,109	<b>7,184,109</b>	6,460,917
<b>Local Authority Grants</b>				
Local Authority - SEN	-	111,727	<b>111,727</b>	141,874
Local Authority - Other Grants	-	20,517	<b>20,517</b>	-
	-	132,244	<b>132,244</b>	141,874
<b>Other Income</b>				
Other Income	1,700	43,006	<b>44,706</b>	42,708
Insurance	-	85,602	<b>85,602</b>	-
Catering Income	-	30,176	<b>30,176</b>	6,182
School Fund	-	159,705	<b>159,705</b>	163,842
Breakfast and After School Club	-	24,163	<b>24,163</b>	23,431
Nursery Income	-	202,798	<b>202,798</b>	161,190
	1,700	545,450	<b>547,150</b>	397,353
<b>Total 2019</b>	<b>1,700</b>	<b>7,861,803</b>	<b>7,863,503</b>	<b>7,000,144</b>
<i>Total 2018</i>	-	7,000,144	7,000,144	

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**5. Income from other trading activities**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Music Income	7,704	<b>7,704</b>	9,904
Lettings	16,598	<b>16,598</b>	19,154
Coach Income	60,583	<b>60,583</b>	98,134
	<u>84,885</u>	<u><b>84,885</b></u>	<u>127,192</u>

In 2018, of the total income from other trading activities, £98,134 was to restricted income.

**6. Investment income**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Investment income	20	835	<b>855</b>	395
<i>Total 2018</i>	<u>-</u>	<u>395</u>	<u>395</u>	

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**7. Expenditure**

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Direct costs	5,451,397	-	686,980	<b>6,138,377</b>	5,374,670
Allocated support costs	928,986	631,525	652,969	<b>2,213,480</b>	2,000,646
<b>Total 2019</b>	<b>6,380,383</b>	<b>631,525</b>	<b>1,339,949</b>	<b>8,351,857</b>	<b>7,375,316</b>
<i>Total 2018</i>	<i>5,528,148</i>	<i>421,133</i>	<i>1,426,035</i>	<i>7,375,316</i>	

**8. Analysis of expenditure by activities**

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Educational activities	6,138,377	2,213,480	<b>8,351,857</b>	7,375,316
<i>Total 2018</i>	<i>5,364,396</i>	<i>2,010,920</i>	<i>7,375,316</i>	

**Analysis of direct costs**



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**8. Analysis of expenditure by activities (continued)**

**Analysis of direct costs (continued)**

	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Staff costs	<b>5,451,397</b>	4,693,086
Educational Supplies	<b>66,074</b>	96,537
Examination Fees	<b>84,490</b>	75,439
Technology Costs	<b>127,000</b>	130,428
Educational Consultancy	<b>74,406</b>	68,235
Staff Expenses	<b>12,702</b>	13,539
Other Staff Costs	<b>19,255</b>	21,794
Other costs	<b>303,053</b>	265,338
	<b>6,138,377</b>	5,364,396

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Staff costs	<b>928,986</b>	835,062
Depreciation	<b>154,904</b>	112,899
Other Staff Costs	<b>26,352</b>	30,299
Other costs	<b>164,898</b>	180,979
Rates	<b>62,447</b>	57,960
Energy	<b>131,211</b>	125,776
Risk Protection Arrangement Fees	<b>32,100</b>	28,417
Maintenance of Premises	<b>153,851</b>	107,979
Cleaning and Caretaking	<b>119,778</b>	106,979
Operating Leases	<b>18,079</b>	22,283
Security	<b>10,963</b>	7,530
Transport	<b>106,507</b>	141,565
Catering	<b>46,986</b>	7,122
Other Premises Costs	<b>98,402</b>	72,366
Legal and Professional	<b>141,636</b>	151,144
Auditor Costs	<b>16,380</b>	22,560
	<b>2,213,480</b>	<i>2,010,920</i>

**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2019 £</b>	<i>2018 £</i>
Operating lease rentals	<b>30,171</b>	10,221
Depreciation of tangible fixed assets	<b>153,887</b>	110,928
Fees paid to auditors for:		
- audit	<b>10,175</b>	12,500
- other services	<b>4,500</b>	1,850

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**10. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	4,775,957	4,240,344
Social security costs	435,674	381,330
Pension costs	1,132,243	878,425
	<u>6,343,874</u>	<u>5,500,099</u>
Agency staff costs	36,509	28,049
	<u>6,380,383</u>	<u>5,528,148</u>

Staff restructuring costs comprise:

**b. Staff numbers**

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

	2019 No.	2018 No.
Teachers	74	73
Administration and Support	128	117
Management	15	14
	<u>217</u>	<u>204</u>

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**10. Staff costs (continued)**

**c. Higher paid staff**

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	2	1
In the band £90,001 - £100,000	1	1
	1	1

**d. Key management personnel**

Key management personnel received in total remuneration of £350,907, and pension contribution of £57,225 (2018: £312,284 and £48,263).

**11. Central services**

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

- Central Finance and budgetary reporting function
- Central HR and Payroll function
- Sourcing of insurance
- Health and safety planning
- Support with property maintenance and statutory planned maintenance
- Procurement and tendering advice
- Legal advice and advisory services
- GDPR

The Trust charges for these services on the following basis:

The Trust charged 5% of the School's General Annual Grant for the above central services during the year

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Oldbury Wells School	194,880	121,805
Alveley Primary School	21,758	36,533
Castlefields Primary School	39,238	32,041
St Leonards Primary School	58,507	47,176
<b>Total</b>	<b>314,383</b>	<b>237,555</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**12. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
S Godden, Exec Head	Remuneration	<b>95,000 -</b>	<i>90,000 -</i>
		<b>100,000</b>	<i>95,000</i>
	Pension contributions paid	<b>15,000 -</b>	<i>15,000 -</i>
		<b>20,000</b>	<i>20,000</i>
G Mark, Staff Trustee	Remuneration		<i>0 - 5,000</i>
	Pension contributions paid		<i>0 - 5,000</i>

During the year ended 31 August 2019, no Trustee expenses have been incurred (*2018 - £NIL*).

**13. Trustees' and Officers' insurance**

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

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**14. Tangible fixed assets**

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 September 2018	9,432,144	105,535	96,587	6,410	9,640,676
Additions	-	133,261	54,966	-	188,227
At 31 August 2019	<u>9,432,144</u>	<u>238,796</u>	<u>151,553</u>	<u>6,410</u>	<u>9,828,903</u>
<b>Depreciation</b>					
At 1 September 2018	189,387	15,165	30,490	321	235,363
Charge for the year	75,300	28,540	48,755	1,282	153,877
At 31 August 2019	<u>264,687</u>	<u>43,705</u>	<u>79,245</u>	<u>1,603</u>	<u>389,240</u>
<b>Net book value</b>					
At 31 August 2019	<u>9,167,457</u>	<u>195,091</u>	<u>72,308</u>	<u>4,807</u>	<u>9,439,663</u>
At 31 August 2018	<u>9,242,757</u>	<u>90,370</u>	<u>66,097</u>	<u>6,089</u>	<u>9,405,313</u>

**15. Debtors**

	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	19,095	17,707
Other debtors	-	10,127
Prepayments and accrued income	42,349	43,890
Tax recoverable	55,601	49,242
	<u>117,045</u>	<u>120,966</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**16. Creditors: Amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>166,473</b>	<i>198,614</i>
Other taxation and social security	<b>105,595</b>	<i>96,663</i>
Other creditors	<b>71,249</b>	<i>132,034</i>
Accruals and deferred income	<b>181,788</b>	<i>123,505</i>
	<b>525,105</b>	<i>550,816</i>
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Deferred income at 1 September 2018	<b>16,045</b>	<i>946</i>
Resources deferred during the year	<b>39,319</b>	<i>16,045</i>
Amounts released from previous periods	<b>(16,045)</b>	<i>(946)</i>
	<b>39,319</b>	<i>16,045</i>

At the balance sheet date the Trust was holding funds received in advance for transport and nursery income paid for the Autumn Term 2019.

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**17. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
St Leonards ICT	35,000	-	-	-	-	35,000
St Leonards NOR Fluctuation	-	-	-	40,000	-	40,000
Castlefields ICT	35,000	-	-	-	-	35,000
Castlefields Staffing	-	-	-	20,000	-	20,000
Oldbury Wells Legal Fees	-	-	-	5,000	-	5,000
Emergency Contingency fund	100,000	20	-	-	-	100,020
MAT Central Development	50,000	-	(14,685)	-	-	35,315
MAT Central Services	-	-	-	25,000	-	25,000
	<u>220,000</u>	<u>20</u>	<u>(14,685)</u>	<u>90,000</u>	<u>-</u>	<u>295,335</u>
<b>General funds</b>						
General funds	130,915	87,335	-	(147,508)	-	70,742
Deficit from Local Authority	(57,508)	-	-	57,508	-	-
	<u>73,407</u>	<u>87,335</u>	<u>-</u>	<u>(90,000)</u>	<u>-</u>	<u>70,742</u>
<b>Total Unrestricted funds</b>	<u>293,407</u>	<u>87,355</u>	<u>(14,685)</u>	<u>-</u>	<u>-</u>	<u>366,077</u>



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**17. Statement of funds (continued)**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Restricted general funds</b>						
GAG funds	-	6,603,552	(6,603,552)	-	-	-
Fund to support deficit budget in 2019/2020	125,771	-	(97,977)	-	-	27,794
School fund income	70,203	159,705	(172,548)	-	-	57,360
IT equipment replacement fund	16,409	-	(16,409)	-	-	-
PE and Sports Grant	5,234	2,766	-	-	-	8,000
CIF Bid Project	10,533	-	(8,440)	-	-	2,093
Trust Sponsor monies	12,099	-	(7,728)	-	-	4,371
MAT Central Funds (reserves)	73,807	-	(7,478)	-	-	66,329
16-19 Bursary	-	7,949	(3,875)	-	-	4,074
Other restricted funds	-	1,113,666	(892,261)	(74,122)	-	147,283
Pension reserve	(2,656,000)	-	(372,000)	-	(980,000)	(4,008,000)
	<u>(2,341,944)</u>	<u>7,887,638</u>	<u>(8,182,268)</u>	<u>(74,122)</u>	<u>(980,000)</u>	<u>(3,690,696)</u>
<b>Restricted fixed asset funds</b>						
Fixed assets	<u>9,405,313</u>	<u>115,132</u>	<u>(154,904)</u>	<u>74,122</u>	<u>-</u>	<u>9,439,663</u>
<b>Total Restricted funds</b>	<u>7,063,369</u>	<u>8,002,770</u>	<u>(8,337,172)</u>	<u>-</u>	<u>(980,000)</u>	<u>5,748,967</u>
<b>Total funds</b>	<u>7,356,776</u>	<u>8,090,125</u>	<u>(8,351,857)</u>	<u>-</u>	<u>(980,000)</u>	<u>6,115,044</u>

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**17. Statement of funds (continued)**

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

**Designated Funds**

The two ICT funds are designated for future ICT replacement spend at the two individual schools.

The NOR Fluctuation and Staffing funds are designated for spend at the two individual schools.

The Legal Fees fund is designated for spend at the individual school.

The emergency contingency fund has been designated to cover any potential future unexpected spend for which additional funding is not provided.

The MAT central development fund has been designated to cover the future development of the MAT central services, including Staff resource and other costs.

The MAT central services fund has been designated to cover future leadership and continuity planning and address safeguarding infrastructure needs.

**General Funds**

These funds allow for the day to day activities of the schools within the Trust.

**Restricted Funds**

The GAG, other DfE/ESFA grants and other restricted funds are to be applied for educational purposes.

The deficit fund has been set up to allocate the level of reserves held at the end of the year which will be utilised to fund the budgeted deficit for the Trust in the year to 31 August 2020.

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.

The IT equipment replacement fund was fully utilised in 2018/19. The 16-19 Bursary, PE and Sports Grant and CIF Bid Project monies are held for upcoming specific projects, due to take place in 2019/20 year.

The Trust Sponsor monies and MAT Central Funds will be used for the purposes they are held to enable the work of the Trust going forward.

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**17. Statement of funds (continued)**

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

**Total funds analysis by Academy**

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Oldbury Wells School	268,194	213,846
Alveley Primary School	91,801	65,427
Castlefields Primary School	127,548	116,882
St Leonards Primary School	125,138	125,402
MAT	70,700	85,906
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	683,381	607,463
Restricted fixed asset fund	9,439,663	9,405,313
Pension reserve	(4,008,000)	(2,656,000)
	<hr/>	<hr/>
<b>Total</b>	<b>6,115,044</b>	<b>7,356,776</b>
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**17. Statement of funds (continued)**

**Total cost analysis by Academy**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	<i>Total</i> 2018 £
Oldbury Wells School	3,238,887	493,191	78,980	1,032,409	<b>4,843,467</b>	4,595,980
Alveley Primary School	326,926	59,576	6,466	132,906	<b>525,874</b>	509,252
Castlefields Primary School	648,442	86,491	24,908	244,373	<b>1,004,214</b>	785,482
St Leonards Primary School	972,669	145,066	25,977	371,178	<b>1,514,890</b>	1,137,848
MAT	84,474	144,661	14,260	65,113	<b>308,508</b>	233,855
<b>Trust</b>	<b>5,271,398</b>	<b>928,985</b>	<b>150,591</b>	<b>1,845,979</b>	<b>8,196,953</b>	<b>7,262,417</b>

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**17. Statement of funds (continued)**

Comparative information in respect of the preceding year is as follows:

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
St Leonards ICT	-	-	-	35,000	-	35,000
St Leonards NOR Fluctuation	-	-	-	35,000	-	35,000
Emergency Contingency fund	-	-	-	100,000	-	100,000
Castlefields ICT	-	-	-	50,000	-	50,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>220,000</u>	<u>-</u>	<u>220,000</u>
<b>General funds</b>						
General funds	80,062	298,761	-	(247,908)	-	130,915
Deficit from Local Authority	(117,508)	-	-	60,000	-	(57,508)
	<u>(37,446)</u>	<u>298,761</u>	<u>-</u>	<u>(187,908)</u>	<u>-</u>	<u>73,407</u>
<b>Total Unrestricted funds</b>	<u>(37,446)</u>	<u>298,761</u>	<u>-</u>	<u>32,092</u>	<u>-</u>	<u>293,407</u>

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**17. Statement of funds (continued)**

	<i>Balance at 1 September 2017</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Transfers in/out</i> £	<i>Gains/ (Losses)</i> £	<i>Balance at 31 August 2018</i> £
<b>Restricted general funds</b>						
Restricted Funds - all funds	-	6,068,319	(6,068,319)	-	-	-
Fund to support deficit budget in 2019/2020	-	-	-	125,771	-	125,771
School fund income	36,578	176,323	(142,698)	-	-	70,203
IT equipment replacement fund	-	27,643	(11,234)	-	-	16,409
PE and Sports Grant	-	16,760	(11,526)	-	-	5,234
CIF Bid Project	-	38,558	(28,025)	-	-	10,533
Trust Sponsor monies	18,716	-	(6,617)	-	-	12,099
MAT Central Funds (reserves)	8,434	237,715	(172,342)	-	-	73,807
Other restricted funds	248,026	234,782	(184,058)	(298,750)	-	-
Other DfE / ESFA Grants	-	392,598	(392,598)	-	-	-
MAT Start Up Grants	50,000	-	(50,000)	-	-	-
Pension reserve	(1,530,000)	(1,216,000)	(195,000)	-	285,000	(2,656,000)
	<u>(1,168,246)</u>	<u>5,976,698</u>	<u>(7,262,417)</u>	<u>(172,979)</u>	<u>285,000</u>	<u>(2,341,944)</u>

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**17. Statement of funds (continued)**

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
<b>Restricted fixed asset funds</b>						
Fixed assets	8,051,325	1,326,000	(112,899)	140,887	-	9,405,313
<b>Total Restricted funds</b>	6,883,079	7,302,698	(7,375,316)	(32,092)	285,000	7,063,369
<b>Total funds</b>	6,845,633	7,601,459	(7,375,316)	-	285,000	7,356,776

**18. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>
Tangible fixed assets	-	-	9,439,663	9,439,663
Current assets	366,077	842,409	-	1,208,486
Creditors due within one year	-	(525,105)	-	(525,105)
Provisions for liabilities and charges	-	(4,008,000)	-	(4,008,000)
<b>Total</b>	366,077	(3,690,696)	9,439,663	6,115,044

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**18. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	-	9,405,313	9,405,313
Current assets	844,223	314,056	-	1,158,279
Creditors due within one year	(550,816)	-	-	(550,816)
Provisions for liabilities and charges	-	(2,656,000)	-	(2,656,000)
<b>Total</b>	<u>293,407</u>	<u>(2,341,944)</u>	<u>9,405,313</u>	<u>7,356,776</u>

**19. Reconciliation of net (expenditure)/income to net cash flow from operating activities**

	<b>2019 £</b>	<b>2018 £</b>
Net (expenditure)/income for the year (as per statement of financial activities)	<u>(261,732)</u>	<u>226,143</u>
<b>Adjustments for:</b>		
Depreciation	153,877	110,928
Defined benefit pension scheme cost less contributions payable	372,000	1,411,000
Decrease/(increase) in debtors	3,921	(54,033)
(Decrease)/increase in creditors	(25,711)	136,720
Net (loss) on assets and liabilities from local authority on conversion	-	(1,326,000)
<b>Net cash provided by operating activities</b>	<u>242,355</u>	<u>504,758</u>

**20. Cash flows from investing activities**

	<b>2019 £</b>	<b>2018 £</b>
Purchase of tangible fixed assets	(188,227)	(138,916)
<b>Net cash used in investing activities</b>	<u>(188,227)</u>	<u>(138,916)</u>



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**21. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	1,091,441	1,037,313
<b>Total cash and cash equivalents</b>	<b>1,091,441</b>	<b>1,037,313</b>

**22. Pension commitments**

The Trust's employees belong to two principal pension schemes: the Teachers' 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 Mercer. Both are multi-employer defined benefit 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**

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

**The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

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**22. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

**Scheme Changes**

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the year amounted to £642,191 (2018 - £578,838).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £368,000 (2018 - £335,000), of which employer's contributions totalled £291,000 (2018 - £258,000) and employees' contributions totalled £ 77,000 (2018 - £77,000). The agreed contribution rates for future years are 15.2% - 18.5% per cent for employers and 5.5% - 12.5% per cent for employees.

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

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**22. Pension commitments (continued)**

**Principal actuarial assumptions**

	<b>2019</b>	<i>2018</i>
	%	%
Rate of increase in salaries	<b>3.5</b>	3.6
Rate of increase for pensions in payment/inflation	<b>2.1</b>	2.2
Discount rate for scheme liabilities	<b>1.8</b>	2.8
Inflation assumption (CPI)	<b>2.0</b>	2.1

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

	<b>2019</b>	<i>2018</i>
	Years	Years
<i>Retiring today</i>		
Males	<b>23.2</b>	23.1
Females	<b>26.4</b>	26.3
<i>Retiring in 20 years</i>		
Males	<b>28.6</b>	25.3
Females	<b>28.7</b>	28.6

**Sensitivity analysis**

	<b>2019</b>	<i>2018</i>
	£000	£000
Discount rate +0.1%	<b>3,889,000</b>	2,574,000
Mortality assumption - 1 year increase	<b>4,108,000</b>	2,724,000
CPI rate +0.1%	<b>4,132,000</b>	2,741,000

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**22. Pension commitments (continued)**

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

	<b>At 31 August 2019</b>	<i>At 31 August 2018</i>
	£	£
Equities	852,000	634,000
Other Bonds	353,000	278,000
Property	80,000	62,000
Cash and other liquid assets	30,000	29,000
Other	384,000	243,000
<b>Total market value of assets</b>	<b>1,699,000</b>	<b>1,246,000</b>

The actual return on scheme assets was £54,000 (2018 - £56,000).

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

	<b>2019</b>	<i>2018</i>
	£	£
Current service cost	(401,000)	(384,000)
Past service cost	(184,000)	-
Interest income	41,000	25,000
Interest cost	(111,000)	86,000
Administrative expenses	(8,000)	(8,000)
<b>Total amount recognised in the Statement of financial activities</b>	<b>(663,000)</b>	<b>(281,000)</b>

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

	<b>2019</b>	<i>2018</i>
	£	£
<b>At 1 September</b>	<b>3,902,000</b>	<b>2,173,000</b>
Conversion of academy trusts	-	1,509,000
Current service cost	401,000	384,000
Interest cost	111,000	86,000
Employee contributions	77,000	77,000
Actuarial losses/(gains)	993,000	(256,000)
Benefits paid	39,000	(71,000)
Past service costs	184,000	-
<b>At 31 August</b>	<b>5,707,000</b>	<b>3,902,000</b>

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**22. Pension commitments (continued)**

Changes in the fair value of the Trust's share of scheme assets were as follows:

	2019 £	2018 £
<b>At 1 September</b>	<b>1,246,000</b>	<b>643,000</b>
Conversion of academy trusts	-	293,000
Interest income	41,000	25,000
Actuarial gains	13,000	29,000
Employer contributions	291,000	258,000
Employee contributions	77,000	77,000
Benefits / transfers paid	39,000	(71,000)
Admin expenses	(8,000)	(8,000)
<b>At 31 August</b>	<b>1,699,000</b>	<b>1,246,000</b>

**23. Operating lease commitments**

At 31 August 2019 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	30,731	30,171
Later than 1 year and not later than 5 years	32,804	54,085
	<b>63,535</b>	<b>84,256</b>

**24. Members' liability**

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

**25. Related party transactions**

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from public and private sector organisations, transactions may take place with organisations in which a Trustees has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

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**26. Post balance sheet events**

On 1 September 2019, the operations and assets of two academies, Church Stretton School and Stokesay Primary School were transferred into the Trust.