

Company Registration Number: 07736425 (England & Wales)

**BRIDGE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

**BRIDGE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**BRIDGE MULTI-ACADEMY TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Members	Mr J Kitson (resigned 31 May 2017) Mrs J McFall Mr K Howdle (appointed 6 June 2017) Dr J Squires (appointed 6 June 2017) Askel Veur (appointed 1 July 2017) Mr P Sadler (resigned 3 March 2017)
Trustees	Mrs M J Ashurst, Vice Chair Mrs J A Goodchild Mrs C J Hill, Chair (appointed 11 October 2016) Mr A Massey ¹ Mrs J Mcfall, Vice Chair ¹ Mr C Mclean ¹ Mr P Sadler (resigned 3 March 2017) Mr V M A Swift (resigned 31 August 2017) ¹ ¹ Finance and Audit Committee
Company registered number	07736425
Company name	Bridge Multi-Academy Trust
Principal and registered office	Higher Trebyan Lanhydrock Bodmin Cornwall PL30 5DQ
Company secretary	Mr J Alder
Accounting officer	Mr A Massey
Senior management team	Mrs R Barker-Brown, Executive Headteacher Mrs S Bass, HR & Administration Manager Mrs L Gilbert, Headteacher Mr A Massey, Chief Executive Mrs D Plant, Strategy & Finance Manager Mrs L Nash, Executive Headteacher Mrs T Preston, Head of School Mr P Roberts, Headteacher Mrs S Sanson, Executive Headteacher Ms T Fleming, Headteacher Ms A Carter, Headteacher Mrs D Plant, Chief Finance Officer (from May 2017)
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN

**BRIDGE MULTI-ACADEMY TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Bankers	Lloyds Bank PLC 14 Molesworth Street Wadebridge Cornwall PL27 7DE
Solicitors	Wolferstans Solicitors Deptford Chambers 60/66 North Hill Plymouth Devon PL4 8EP
Actuary	Hymans Robertson LLP One London Wall London EC2Y 5EA

**BRIDGE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2017. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 11 primary academies in Cornwall. Its academies have a combined pupil capacity of 1,980 and had a roll of 1,746 in the school census on 31 August 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of Bridge Multi-Academy Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Bridge Multi-Academy Trust but operates under the name Bridge Schools.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

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 they ceased to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £5,000,000.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The trust shall have the following Trustees as set out in its Articles of Association:

- Up to 5 Trustees appointed by the Members.
- The Chief Executive.
- A minimum of 2 Trustees appointed by the Diocese (Askel Veur).
- A minimum of 2 Parent Trustees (unless there are local governing bodies which include at least 2 parent members).
- Any number of Co-opted trustees.

The Board of Trustees currently comprises the Chief Executive, 1 Trustee appointed by the Diocese and 4 Member-appointed Trustees. The Board is waiting for the Diocese to recruit a second Trustee, and plans to co-opt at least one additional Trustee.

Trustees are appointed for a four year period, except that this time limit does not apply to the Chief Executive. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Trust's development.

**BRIDGE MULTI-ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of all the Academies within the Trust and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Trustees are updated on relevant developments impacting on their role during Board meetings.

Organisational Structure

The Board of Trustees has met 6 times this year. The Board establishes an overall framework for the governance of the Academies and determines membership, terms of reference and procedures of Local Governing Bodies, Committees and other groups. It receives reports, including policies, from its Local Governing Bodies and Committees for ratification. It monitors the activities of the Local Governing Bodies and Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

The Trust Board operates a committee as follows:

Resources Committee - this meets at least three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels.

The Local Governing Bodies, in conjunction with the Trustee Board and Central Team specialists, operate the following roles:

- Data and standards
- EYFS
- SEN
- Health & Safety
- Safeguarding

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Trust and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Chief Executive and Trust Secretary, to approve the Annual Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Trust by the use of budgets and other data, and making major decisions about the direction of the Trust, individual Academies, and capital expenditure.

The Board of Trustees have devolved responsibility for day to day management of the Academies to the Chief Executive. This is managed in conjunction with the Central Business Team and Area Executive Head Teachers who work with Heads of School/Head teachers, Senior Leadership Teams (SLT) and Local Governing Bodies. The SLTs in each academy comprise of the Area Executive Head Teachers, Head Teachers, and where present, Deputy/Assistant Head Teachers. The SLT implement the policies laid down by the Trustees and report back to them on performance via the Chief Executive. The aim of this leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Chief Executive, Area Executive Head Teachers, Heads of School/Head Teachers, Central Business Management Team and Finance Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Holders which must be authorised in line with the Scheme of Delegation. The Chief Executive is responsible for the appointment of senior staff, with support from Trustees where appropriate. All other appointments are devolved to Area Executive Head Teachers working with Heads of School/Head Teachers. Appointment panels for teaching posts will normally include a Governor/Trustee.

The Chief Executive is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees, the Chief Executive, the Head Teachers and Business Management Team comprise the key management personnel of the Multi-Academy Trust and are in charge of directing, controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year for their role as a Trustee.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings alongside consideration of performance.

Connected Organisations, including Related Party Relationships

The Trust is working with and supporting Mount Street Primary, St Cleer Primary, Blisland Community Primary and Trenode C of E Primary in terms of sharing staff expertise and best practice.

Some of the academies in the Trust have shared use of Church land, National Trust land or parish council land under shared use agreements.

There are no related parties which either control or significantly influence the decisions and operations of Bridge Multi-Academy Trust. There are no sponsors or formal Parent Teacher Associations associated with the Trust.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object of the Trust is to advance education for the public benefit, in particular by managing and developing each school, offering a broad curriculum for all its pupils.

The principal object and activity of the Charitable Company is the operation of Bridge Multi-Academy Trust to provide free education and care for pupils of different abilities.

The aims of the Trust during the year ended 31 August 2017 are summarised below:

- To continue to raise the standard of educational attainment and achievement of all pupils.
- To provide a broad and balanced curriculum, including extra curricular activities.
- To develop students as more effective learners.
- To develop each Academy site so that it enables students to achieve their full potential.
- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- To improve the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review.
- To provide value for money for the funds expended.
- To develop greater coherence, clarity and effectiveness in school systems.
- To comply with all appropriate statutory and curriculum requirements.
- To develop the Trust's capacity to manage change, and
- To conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.

At Bridge Multi-Academy Trust we aim to achieve the best for, and from, each child. We intend to enable each

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academies are communities in which children, staff and parents should be part of a happy and caring environment.

Objectives, Strategies and Activities

Key priorities for the year are contained in our Academy Development Plans which are available upon request. Improvement focuses identified for this year include:

- Ambitious targets are consistently set for all pupils in all year groups.
- Continue to improve the quality of teaching and learning in all schools by adopting training in Visible Learning and using IRIS videoing technology as a means of providing CPD for staff.
- Development of MAT wide subject leads to drive the curriculum.
- Introduction of Arbor as a management information system for all schools to consistently record and share information across all areas of work.

Key activities and targets were identified in the Academy Development Plans and were influenced by the significant challenges and opportunities arising from national changes in education policy and funding. The role of the MAT in improving standards, teaching and business practices was a focus within the year. The activities included the following:

- Continual review of staffing levels in the light of budgetary pressure.
- Strategic planning and development of key financial and administrative procedures in order to streamline practices throughout the MAT.
- Continued development of systems for tracking and monitoring pupil attainment review of the creative arts and further imbedding of ICT within all curriculum areas.
- Further development of the intranet to support administration and communication.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

The Academies provide facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said communities.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

STRATEGIC REPORT

Achievements and Performance

KS2 Attainment 2016	% at Expected Standard	% at Greater Depth
Wadebridge Primary Academy		
Reading	70.8	15.4
Writing	75.4	16.9
Mathematics	73.8	20.0
Combined R, W & M	60.0	7.7
Looe Primary Academy		
Reading	53.5	14.0
Writing	74.4	16.3
Mathematics	93.0	16.3
Combined R, W & M	41.9	9.3
Delaware Primary Academy		
Reading	61.1	33.3
Writing	72.2	16.7
Mathematics	61.1	22.2
Combined R, W & M	55.6	11.1
Gunnislake Primary Academy		
Reading	50.0	0.0
Writing	87.5	0.0
Mathematics	37.5	0.0
Combined R, W & M	25.0	0.0
Brunel Primary Academy		
Reading	33.3	8.9
Writing	71.1	6.7
Mathematics	60.0	4.4
Combined R, W & M	28.9	0.0

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

KS2 Attainment 2016 continued	% at Expected Standard	% at Greater Depth
Pelynt Primary Academy		
Reading	40.0	0.0
Writing	80.0	0.0
Mathematics	30.0	0.0
Combined R, W & M	10.0	0.0
Polruan Primary Academy		
Reading	75.0	25.0
Writing	75.0	0.0
Mathematics	100.0	25.0
Combined R, W & M	75.0	0.0
Polperro Primary Academy		
Reading	76.5	5.9
Writing	82.4	5.9
Mathematics	76.5	11.8
Combined R, W & M	64.7	5.9
Darite Primary Academy		
Reading	80.0	30.0
Writing	70.0	30.0
Mathematics	70.0	30.0
Combined R, W & M	60.0	30.0
Lanlivery Primary Academy		
Reading	60.0	6.7
Writing	46.7	0.0
Mathematics	66.7	0.0
Combined R, W & M	33.3	0.0

**BRIDGE MULTI-ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Bridge Schools

The Trust has 1,746 pupils spread across eleven schools. The ten schools in the Trust whose pupils completed Key Stage 2 SAT's in May 2017 performed well across the whole Trust. We are delighted with the improvements seen on the outcomes for the previous year.

	Reading EXS 2017	Writing EXS 2017	Maths EXS 2017
National	71%	76%	75%
Bridge Schools	73%	79%	75%

Wadebridge Primary Academy

NOR goes up to 493 in the summer term as nursery places are at their limit, numbers then reduce slightly as nursery children move into the main school. As a result of the popularity of the school, discussions are taking place to look at options to facilitate an increase in numbers.

Pupil numbers on roll (NOR) has increased beyond the forecast of 450.

The Academy was inspected by OFSTED in July 2017 and was judged to be Good in all five areas.

KS2 Attainment 2017

59 Pupils in Y6	% at Expected Standard	% at Greater Depth
Reading	79%	21%
Writing	81%	21%
Mathematics	83%	16%
Combined R, W & M	72%	5.2%

The Academy has made further investment in a bike track around the school field which has been part funded with Sports Premium monies. This is used on a rotational basis by the whole school.

New boilers and associated building management control system has been installed as well as a new heating oil tank and upgraded oil tank storage area with new doors to the plant room and oil storage area. New external shelter areas for KS1 and KS2 have also been installed.

CIF Kitchen Ventilation & Gas Safety	£41,087
Boiler replacement	£132,538

Looe Primary Academy

The school joined the Trust in November 2013. The total number of students in the year was 242.

The Head Teacher resigned her post in July 2016. An acting Head of School was instated. The Academy was inspected by OFSTED in September 2016 and judged to be Requiring Improvement.

KS2 Attainment 2017

45 Pupils in Y6	% at Expected Standard	% at Greater Depth
Reading	77%	13%
Writing	77%	6.8%
Mathematics	91%	3.8%
Combined R, W & M	71%	0.0%

Building and grounds improvements have included tree safety works; CCTV drain survey to investigate collapsed rain water drainage. New carpeting to KS1 classrooms and staffroom following the fascias and window upgrade to the front elevation of the building.

CIF Toilet Safety	£28,607
Window Replacements	£308,869

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Delaware Primary Academy

Delaware Primary Academy joined the Trust in December 2015. The total number of students in the year was 120.

The Academy was inspected by OFSTED in March 2015 and was judged to be Inadequate.

KS2 Attainment 2017

<u>21 Pupils in Y6</u>	<u>% at Expected Standard</u>	<u>% at Greater Depth</u>
Reading	62%	10%
Writing	81%	14%
Mathematics	52%	29%
Combined R, W & M	48%	0%

Building and grounds improvements have included fire doors and kitchen fire roller shutter. Refurbishment of central toilet areas for both girls and boys included new toilets, cubicles, flooring and a hot water system. Tree safety works were undertaken to remove a low hanging canopy from over the main road.

CIF Fire Door upgrades	£86,802
Toilet refurbishment	£49,922

Gunnislake Primary Academy

Gunnislake Primary Academy joined the Trust in December 2015. The total number of students in the year was 40.

The Academy was inspected by OFSTED in March 2014 and was judged to be Requires Improvement.

KS2 Attainment 2017

<u>2 Pupils in Y6</u>	<u>% at Expected Standard</u>	<u>% at Greater Depth</u>
Reading	0%	0%
Writing	100%	0%
Mathematics	0%	0%
Combined R, W & M	0%	0%

Building and grounds improvements have included the installation of a hot water system for legionella safety works. New main heating boilers in the main building and the removal of cold water storage tanks.

Gunnislake Fire upgrades	£105,737
Legionella works	£165,015

Brunel Primary Academy

Brunel Primary Academy is in its sixth year of operation as an academy but joined the Trust in May 2016. The total number of students in the year was 350. We would expect this trend to continue for at least the next three years, given the investment in the area in housing, business and infrastructure.

The Academy was inspected by OFSTED in November 2013 and was judged to be Good.

KS2 Attainment 2017

<u>41 Pupils in Y6</u>	<u>% at Expected Standard</u>	<u>% at Greater Depth</u>
Reading	60%	19%
Writing	74%	12%
Mathematics	67%	14%
Combined R, W & M	54.8%	0%

Building and grounds improvements have included re-covering of the KS2 building flat roof combined with associated upgrading of insulation.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Following CIF appeal: total refurbishment of kitchens with associated ventilation and gas safety works. This included encapsulation of asbestos covering discovered in the roof of the kitchen during the ceiling replacement. A new fire roller shutter was installed. Several areas of tree safety works around school were also managed.

LA 'Basic Need' works completed in 2017 included:

- New shelter and soft play area to the rear Early Years building.
- Refurbishment of the KS1 disused toilet area to create a new staffroom.
- Refurbishment of a KS1 classroom to create the additional capacity.
- Refurbishment of KS2 wet areas to create additional group working areas.
- Refurbishment of KS2 toilet blocks to create a single gender neutral toilet area.

Brunel	Flat Roof replacement	£268,161
	Kitchen refurbishment	£182,870

Pelynt Primary Academy

Pelynt Primary Academy joined the Trust in August 2016. The total number of students in the year was 113. We would expect this trend to continue for at least the next three years, given significant housing developments in the area.

The Head Teacher moved posts to become an Area Executive Head Teacher for the Trust in April 2017. The Academy was inspected by OFSTED in January 2013 and was judged to be Good.

KS2 Attainment 2017

<u>9 Pupils in Y6</u>	<u>% at Expected Standard</u>	<u>% at Greater Depth</u>
Reading	78%	22%
Writing	78%	0%
Mathematics	67%	0%
Combined R, W & M	67%	0%

Building and grounds improvements have included the installation of fire doors and fire detection and emergency lighting works as well as:

- Sundry steriliser repair following breakdown.
- Replacement fence post in carpark.
- New tiling in class toilet.

Pelynt	Fire Upgrades	£95,287
	Window Replacements	£71,971

**BRIDGE MULTI-ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Polruan Primary Academy

Polruan Primary Academy is in its first year of operation having opened as an academy and joined the Multi-Academy Trust in August 2016. The total number of students in the year ended 31 August 2016 was 31 and has decreased slightly to 30 in September 2016.

The Academy was inspected by OFSTED in March 2014 and was judged to be Good.

KS2 Attainment 2017

<u>7 Pupils in Y6</u>	<u>% at Expected Standard</u>	<u>% at Greater Depth</u>
Reading	57%	0%
Writing	71%	0%
Mathematics	57%	0%
Combined R, W & M	29%	0%

Building and grounds improvements have included:

- Roof covering replacement including insulation upgrade
- Fire doors and fire detection and emergency lighting upgrades.
- Rear elevation of building cleaned while roof scaffolding is in place.
- New kitchen dishwasher installed along with work units to replace aged sterilising sink.

Polruan	Roof replacement	£104,454
	Fire upgrades	£66,480

Polperro Primary Academy

Polperro Primary Academy joined the Trust in August 2016. The total number of students increased to 136.

The Head Teacher moved posts to become an Area Executive Head Teacher for the trust in April 2017. The Academy was inspected by OFSTED in June 2015 and was judged to be Good.

KS2 Attainment 2017

<u>17 Pupils in Y6</u>	<u>% at Expected Standard</u>	<u>% at Greater Depth</u>
Reading	82%	17%
Writing	82%	0%
Mathematics	82%	17%
Combined R, W & M	76%	0%

Building and grounds improvements have included:

- Fire door upgrades.
- Additional works for new nursery door, new rear hall doors and fire detection in hall store and ceiling voids

Polperro	17/18 Fire Doors	£68,400
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Darite Primary Academy

Darite Primary Academy is in its first year of operation having opened as an academy and joined the Multi-Academy Trust in August 2016. The total number of students in the year ended 31 August 2016 was 65 and has increased to 68 in September 2016.

The Academy was inspected by OFSTED in October 2007 and was judged to be Outstanding.

KS2 Attainment 2017

<u>5 Pupils in Y6</u>	<u>% at Expected Standard</u>	<u>% at Greater Depth</u>
Reading	80%	60%
Writing	80%	20%
Mathematics	100%	17%
Combined R, W & M	80%	0%

Building and grounds improvements have included:

- New roof covering including lightning protection.
- As part of Caterlink contract. New fridge, new freezer, new cooker and ventilation installed in Servery including new 3 phase electrics for cooker.

Darite Roof replacement £80,362

Lanlivery Primary Academy

Lanlivery Primary Academy is in its first year of operation having opened as an academy and joined the Multi-Academy Trust in August 2016. The total number of students in the year ended 31 August 2016 was 73 and has decreased to 60 in September 2016.

The Academy was inspected by OFSTED in October 2011 and was judged to be Good.

KS2 Attainment 2017

<u>10 Pupils in Y6</u>	<u>% at Expected Standard</u>	<u>% at Greater Depth</u>
Reading	70%	30%
Writing	70%	10%
Mathematics	80%	10%
Combined R, W & M	60%	10%

Building and grounds improvements have included:

- Fire doors and fire detection and emergency lighting.
- Roof replacement

Lanlivery Roof replacement £133,410
Fire upgrades £59,330

Bridge Multi-Academy Trust

The Multi-Academy Trust is in the fourth year of operation and has utilised many cost savings across the board, including economies of scale on purchase of insurances, professional services and training. These negotiations remain ongoing and as the Trust develops, savings will incrementally increase. The Academies share staffing expertise, business management and software solutions to improve efficiency and performance.

The Trust board has matured and with increased experience the skills and capacity of the board have increased commensurately.

During the year the Trust has successfully worked with 11 primary schools in Cornwall and helped them to convert to academy status. These schools are now members of the Trust. Three further schools have received academy orders to join the Trust; we are in talks with a further five schools with a view to joining together. These discussions remain ongoing.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Key Performance Indicators

The main financial performance indicator is to ensure that there is the level of investment in the Trust academies whilst managing spending against the General Annual Grant (GAG). During 2016/17 an increase in the amount of executive leadership was made available to the schools by appointing area executive head teachers to widen leadership by focusing on groups of schools. This approach particularly enables additional work to be targeted to our sponsored schools to secure their path ready for the next Ofsted Inspection and has enabled the Trust to not only deliver the best set of outcomes so far but for double the number of schools.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2017 were 1,584, an increase of 338 over 2016. It is anticipated that this number will continue to rise.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2017 this was 118.4%.

The Trust is in the process of conducting a review of Key Performance Indicators for 2017/18 and continuing to work to develop a robust internal audit procedure.

Going Concern

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

FINANCIAL REVIEW

Financial Review

Most of the Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2017 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Trust's finance policies.

During the year ended 31 August 2017, total expenditure of £9,817,894 was covered by recurrent grant funding from the DfE, together with other incoming resources totalling £10,393,047. The excess of total income over expenditure for the year was £575,153. However, the net surplus on restricted fixed funds for the year was £2,101,862, so the deficit on other reserves was £1,526,709.

At 31 August 2017 the net book value of fixed assets was £13,731,518 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academies.

The land, buildings and other assets were transferred to the Trust upon conversion. Land and buildings were valued on conversion. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Trust has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 23 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Chief Executive, Headteachers, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included HR policy.

**BRIDGE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Reserves Policy

The Trustees review the reserve levels of the MAT annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review. During 2016/17, the integration of 5 schools resulted in an investment in Leadership throughout the MAT to improve outcomes, additional infrastructure costs and additional superannuation costs due to the Government changes. Therefore, free reserves were used for most schools.

The Trustees have reviewed the future plans of the Academy and have set designated reserves as follows:

- In order for the Trust to fulfil its obligations, allow for contingencies and assist those schools in a deficit situation to plan for future activities, it is essential for the Trust to carry a central reserve. Academies are therefore expected to contribute 0.5% of GAG funding for this purpose each year, unless the Academy is in a deficit position.
- Individual Academies should build reserves each year for structural and other capital life cycle costs. This should equate to 2% of GAG income each financial year and will be included as part of the budget cycle.
- The minimum level of total free reserves should equal one month's payroll for the Trust. For 2017/18 this would equate to £600K.

The total reserves of the Trust amount to £12,719,952, although £14,909,769 of this is invested in fixed assets or represents non GAG restricted funds. £59,183 (representing unrestricted funds) is the balance that the Trustees monitor in accordance with the Board's reserves policy. Over the next 2 years, the MAT has put together a plan to reach in excess of £600k in unrestricted reserves. During 2017/18, estimated savings of £368k will be achieved through internal restructures, repayment of academy deficit balances and revised budgetary savings. These savings will flow through to 2018/19 and an additional £322k will be gained from reserves contributions from Academies in accordance with the MAT reserves policy. A total unrestricted reserve of £690K is anticipated by 2018/19.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income, whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund.

Investment Policy

Due to the nature and timing of receipt of funding, the Trust may at times hold cash balances surplus to its short term requirements.

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Chief Executive and Chief Finance Officer within strict guidelines approved by the Board of Trustees.

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

**BRIDGE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

The principal risks and uncertainties facing the Multi-Academy Trust are as follows:

Financial - the MAT has considerable reliance on continued Government funding through the ESFA. In the last year 97% of the MAT's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. Cumulative cost pressure from pay rises, national insurance, and increasing employer contributions to Local Government Pension Scheme and Teachers Pension Scheme, are a direct risk to future financial sustainability without comparable rises in government funding.

Reputational - the continuing success of the Multi-Academy Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Trust has appointed a Responsible Officer and is conducting a comprehensive review of internal audit procedures in order to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained, reviewed and updated on a regular basis.

The MAT has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Trust. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst several Academies are over-subscribed, the others have rising pupil numbers and local factors indicate a rise in pupil numbers in the medium term. However, the freeze on the Government's overall education budget, changes in funding arrangements for nursery and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings.

At the year end, the Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 26 to the financial statements, represents a significant potential liability.

**BRIDGE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

PLANS FOR FUTURE PERIODS

The Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Trust will continue to work with partner schools to improve the educational opportunities for students in the wider community.

Full details of our plans for the future are given in our MAT Strategic Development Plan, which is available on request.

The Trust has had continued success in working with other schools to join the MAT and supporting the Headteachers and the Senior Leadership Teams through their conversion to an Academy. We also plan to work with other Good and Outstanding Primary schools to share best practice and resources.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Multi-Academy Trust and its Trustees do not act as the Custodian Trustees of any other Charity.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

For disabled employees - The Trust has a Safer Recruitment Policy and Equal Opportunities Policy in place, which are there to ensure that no job applicant or employee receives less favourable facilities or treatment (either directly or indirectly) in recruitment or employment because of disability.

For employee consultation - All new employees are taken through an induction process relevant to their job role on commencement of their employment with Trust. During their probation period they are appraised and targets set. On completion of the probationary period and once confirmed in post each employee receives a yearly performance appraisal. All employees are consulted on new and revisions of policies, advised of vacancies across the Trust, sign annual declarations to confirm they understand and are compliant with the Trusts Policies and Procedures, attend INSET throughout the year where information is shared to ensure all employees are kept informed of matters arising.

TRUSTEES INDEMNITIES

There are no third party indemnity provisions during the year or at the date of approval of the Trustees' report.

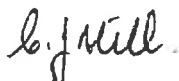
AUDITORS

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on 13 December 2017 and signed on the Board's behalf by:



**Mrs C J Hill
Chair of Trustees**

**BRIDGE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, 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 Bridge Multi-Academy 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.

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 6 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
Mrs M J Ashurst, Vice Chair	6	6
Mrs J A Goodchild	1	6
Mrs C J Hill, Chair	6	6
Mr A Massey	6	6
Mrs J McFall	5	6
Mr C Mclean	2	6
Mr P Sadler	2	3
Mr V M A Swift	0	6

Attendance at Board meetings was impacted by serious illness for three Trustees and a change of circumstances for a fourth.

Cheryl Hill joined the Board at the start of the year bringing valuable experience including large corporate organisations and the role of a CEO, plus local governance in small rural schools. She became Chair in July following the unexpected loss of the former Chair Paul Sadler.

With the expansion of the Trust and the introduction of faith schools the Board plans to recruit at least two more Trustees to increase capacity.

Governance arrangements were further strengthened during the year by the following actions:

- Increased number of Board meetings to 6 per annum
- Appointed a second Vice Chair
- Reviewed and updated the role and responsibilities of the LGBs
- Developed a procedure for formal reporting by LGBs to the Board
- Commenced regular LGB Chairs' meetings
- Recruited two very experienced Members

Further actions for the next year include:

- Termly meetings of an Audit and Standards Committee
- Review and updating of the Scheme of Delegated Governance functions to reflect expansion of the Trust and a new management structure
- Review of current governance structures
- Introduction of a comprehensive internal induction and training programme

The Finance and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is the implementation and monitoring of the Trust's financial procedures. It is also responsible for treasury management and monitoring of budgetary control systems.

**BRIDGE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs M J Ashurst	2	2
Mrs C J Hill	2	2
Mrs J Mcfall	2	2
Mr A Massey	2	2
Mr V M A Swift	0	2

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the 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 Academy Trust has delivered improved value for money during the year by:

- Robust financial governance and budget management
- Value for money purchasing
- Reviewing controls and managing risk
- Considering allocation of resources
- Challenging proposals and examining their effectiveness and efficiency
- Deploying staff effectively
- Reviewing the quality of curriculum provision and the quality of teaching
- Outlining procedures for accepting best value quotes, noting this is not necessarily the cheapest quote

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Multi-Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bridge Multi-Academy Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Multi-Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Multi-Academy Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**BRIDGE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Cornwall Council Finance Service as internal auditor.

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

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/bank account reconciliations

On a termly basis, the internal auditor reports to the Board of Trustees through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Trust appointed the internal audit services of Cornwall Council for the year 2016/17. This role was performed effectively and in line with requirements. The internal audit did not identify any significant issues. Any concerns that were highlighted regarding internal administration procedures have been addressed.

REVIEW OF EFFECTIVENESS

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

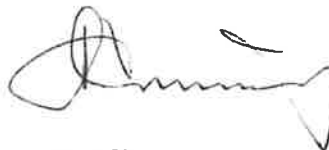
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Multi-Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 13 December 2017 and signed on their behalf, by:



Mrs C J Hill
Chair of Trustees



Mr A Massey
Accounting Officer

**BRIDGE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Bridge Multi-Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2016.

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



**Mr A Massey
Accounting Officer**

Date: 13 December 2017

**BRIDGE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees (who act as governors of Bridge Multi-Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and 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:

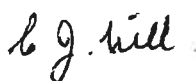
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 and signed on its behalf by:



**Mrs C J Hill
Chair of Trustees**

Date: 13 December 2017

**BRIDGE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BRIDGE
MULTI-ACADEMY TRUST**

OPINION

We have audited the financial statements of Bridge Multi-Academy Trust for the year ended 31 August 2017 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

**BRIDGE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BRIDGE
MULTI-ACADEMY TRUST**

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report for 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 Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

**BRIDGE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BRIDGE
MULTI-ACADEMY TRUST**

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



Pamela Tuckett FCA DChA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN
Date: 15/12/17

**BRIDGE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BRIDGE
MULTI-ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 12 March 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bridge Multi-Academy Trust during the year 1 September 2016 to 31 August 2017 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 Bridge Multi-Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Bridge Multi-Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Bridge Multi-Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF BRIDGE MULTI-ACADEMY TRUST'S ACCOUNTING OFFICER AND
THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Bridge Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 24 January 2013, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**BRIDGE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BRIDGE
MULTI-ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Bishop Fleming LLP

Pamela Tuckett FCA DChA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: 15/12/17

BRIDGE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations & capital grants:						
Transfer from Local Authority on conversion	2	5,104	(91,000)	70,253	(15,643)	5,106,838
Transfers from Brunel Academy	2	-	-	-	-	1,184,847
Other donations and capital grants	2	71,798	32,252	2,529,851	2,633,901	632,084
Charitable activities	5	575,381	6,926,503	-	7,501,884	4,716,353
Other trading activities	3	272,259	-	-	272,259	127,639
Investments	4	646	-	-	646	984
TOTAL INCOME		925,188	6,867,755	2,600,104	10,393,047	11,768,745
EXPENDITURE ON:						
Raising funds		113,075	-	-	113,075	103,580
Charitable activities		571,665	8,583,527	549,627	9,704,819	5,250,793
TOTAL EXPENDITURE	6	684,740	8,583,527	549,627	9,817,894	5,354,373
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	240,448 (1,053,908)	(1,715,772) 1,002,523	2,050,477 51,385	575,153 -	6,414,372 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(813,460)	(713,249)	2,101,862	575,153	6,414,372
Actuarial gains/(losses) on defined benefit pension schemes	23	-	1,047,000	-	1,047,000	(1,396,000)
NET MOVEMENT IN FUNDS		(813,460)	333,751	2,101,862	1,622,153	5,018,372
RECONCILIATION OF FUNDS:						
Total funds brought forward		872,643	(2,582,751)	12,807,907	11,097,799	6,079,427
TOTAL FUNDS CARRIED FORWARD		59,183	(2,249,000)	14,909,769	12,719,952	11,097,799

The notes on pages 31 to 58 form part of these financial statements.

**BRIDGE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07736425**

**BALANCE SHEET
AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	13		13,731,518		12,724,034
CURRENT ASSETS					
Debtors	14	691,833		756,267	
Cash at bank and in hand		1,268,643		1,239,337	
		<u>1,960,476</u>		<u>1,995,604</u>	
CREDITORS: amounts falling due within one year	15	(718,900)		(820,839)	
NET CURRENT ASSETS			<u>1,241,576</u>		<u>1,174,765</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>14,973,094</u>		<u>13,898,799</u>
CREDITORS: amounts falling due after more than one year	16		<u>(4,142)</u>		<u>-</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>14,968,952</u>		<u>13,898,799</u>
Defined benefit pension scheme liability	23		<u>(2,249,000)</u>		<u>(2,801,000)</u>
NET ASSETS			<u><u>12,719,952</u></u>		<u><u>11,097,799</u></u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	18	-		218,249	
Fixed asset funds	18	14,909,769		12,807,907	
		<u>14,909,769</u>		<u>13,026,156</u>	
Restricted funds excluding pension liability					
Pension reserve		<u>(2,249,000)</u>		<u>(2,801,000)</u>	
Total restricted funds			<u>12,660,769</u>		<u>10,225,156</u>
Unrestricted funds	18		<u>59,183</u>		<u>872,643</u>
TOTAL FUNDS			<u><u>12,719,952</u></u>		<u><u>11,097,799</u></u>

The financial statements on pages 28 to 58 were approved by the Trustees, and authorised for issue, on 13 December 2017 and are signed on their behalf, by:



**Mrs C J Hill
Chair of Trustees**

The notes on pages 31 to 58 form part of these financial statements.

**BRIDGE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	<u>(1,019,437)</u>	<u>204,881</u>
Cash flows from investing activities:			
Interest received		646	984
Purchase of tangible fixed assets		(1,486,858)	(779,843)
Capital grants from DfE/ESFA		2,529,851	617,162
Cash transferred on conversion to an Academy Trust		5,104	134,685
Cash transferred on existing Academy joining the Academy Trust		-	139,326
Net cash provided by investing activities		<u>1,048,743</u>	<u>112,314</u>
Change in cash and cash equivalents in the year		29,306	317,195
Cash and cash equivalents brought forward		<u>1,239,337</u>	<u>922,142</u>
Cash and cash equivalents carried forward	21	<u><u>1,268,643</u></u>	<u><u>1,239,337</u></u>

The notes on pages 31 to 58 form part of these financial statements.

**BRIDGE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

Bridge Multi-Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 FUND ACCOUNTING

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

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

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

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

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

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

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

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

Where assets are received by the Trust on conversion to an Academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risk and rewards of ownership pass to the Trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

Capital grants received towards capital improvement of diocesan owned premises is recognised as restricted donations from non-charitable activities. The corresponding expenditure is recognised as revenue expenditure in the SOFA and disclosed as grant expenditure.

**BRIDGE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE

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

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

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

All expenditure is inclusive of irrecoverable VAT.

1.5 GOING CONCERN

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

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. 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, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

**BRIDGE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

Freehold property	-	2% straight line
Long term leasehold land and buildings	-	Over the lease term, with maximum of 50 years for buildings
Solar panels	-	5% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	33% straight line

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Where on conversion the Academy Trust was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the Local Authority school, the long term leasehold property is recognised as a donation from the Local Authority and is valued using the depreciated replacement cost method.

Where the Academy Trust has been granted use of school buildings from the Diocese of Truro under Supplemental Agreements, the Academies Accounts Direction prescribes that under this agreement the risks and rewards of ownership remain with the Diocese. A donation from the Diocese has been recognised equal to the deemed rental expense, based on the rateable value of the buildings.

The Supplemental Agreement includes the right for the Diocese of Truro Trustees to give not less than 2 years written notice to the Academy Trust and Secretary of State for Education to terminate the agreement. No such written notice has been received as at the date of the approval of the financial statements.

1.7 OPERATING LEASES

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

1.8 TAXATION

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9 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.

1.10 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. ACCOUNTING POLICIES (continued)

1.11 LIABILITIES AND PROVISIONS

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

1.12 FINANCIAL INSTRUMENTS

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 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 instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

1.13 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

1. ACCOUNTING POLICIES (continued)

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

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

1.14 CONVERSION TO AN ACADEMY TRUST

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from the schools as named in note 22 to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 22.

1. ACCOUNTING POLICIES (continued)

1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance sheet.

BRIDGE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Transfers on Local Authority on conversion	5,104	(91,000)	70,253	(15,643)	5,106,838
Transfers from Brunel Academy	-	-	-	-	1,184,847
	<u>5,104</u>	<u>(91,000)</u>	<u>70,253</u>	<u>(15,643)</u>	<u>6,291,685</u>
Donations	71,798	32,252	-	104,050	14,922
Capital Grants	-	-	2,529,851	2,529,851	617,162
	<u>71,798</u>	<u>32,252</u>	<u>2,529,851</u>	<u>2,633,901</u>	<u>632,084</u>
Subtotal	71,798	32,252	2,529,851	2,633,901	632,084
	<u>76,902</u>	<u>(58,748)</u>	<u>2,600,104</u>	<u>2,618,258</u>	<u>6,923,769</u>
<i>Total 2016</i>	<u>708,680</u>	<u>(673,024)</u>	<u>6,888,113</u>	<u>6,923,769</u>	

3. OTHER TRADING ACTIVITIES

	Total funds 2017 £	Total funds 2016 £
Lettings	24,500	10,050
Consultancy	97,408	1,120
Parental contributions to Wrap-Around	105,728	75,423
Other	44,623	41,046
	<u>272,259</u>	<u>127,639</u>
<i>Total 2016</i>	<u>127,639</u>	

4. INVESTMENT INCOME

	Total funds 2017 £	Total funds 2016 £
Bank interest	646	984
<i>Total 2016</i>	<u>984</u>	

BRIDGE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Education	253,127	6,926,503	7,179,630	4,586,992
Nursery	322,254	-	322,254	129,361
	<u>575,381</u>	<u>6,926,503</u>	<u>7,501,884</u>	<u>4,716,353</u>
<i>Total 2016</i>	<u>376,022</u>	<u>4,340,331</u>	<u>4,716,353</u>	

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant	-	6,089,970	6,089,970	3,688,294
Start up Grants	-	25,000	25,000	150,000
Other DfE/ESFA grants	-	717,332	717,332	425,262
	<u>-</u>	<u>6,832,302</u>	<u>6,832,302</u>	<u>4,263,556</u>
Other Government grants				
High Needs	-	91,901	91,901	67,121
Other government grants	22,100	2,300	24,400	140,187
	<u>22,100</u>	<u>94,201</u>	<u>116,301</u>	<u>207,308</u>
Other funding				
Internal catering income	106,023	-	106,023	44,825
Sales to students	448	-	448	-
Other	124,556	-	124,556	71,303
	<u>231,027</u>	<u>-</u>	<u>231,027</u>	<u>116,128</u>
	<u>253,127</u>	<u>6,926,503</u>	<u>7,179,630</u>	<u>4,586,992</u>
<i>Total 2016</i>	<u>246,661</u>	<u>4,340,331</u>	<u>4,586,992</u>	

BRIDGE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on fundraising trading	86,608	-	26,467	113,075	103,580
Education:					
Direct costs	5,636,209	-	998,221	6,634,430	3,576,221
Support costs	1,302,326	573,350	945,386	2,821,062	1,492,704
Nursery:					
Direct costs	77,233	-	12,170	89,403	99,234
Support costs	111,042	48,220	662	159,924	82,634
	<u>7,213,418</u>	<u>621,570</u>	<u>1,982,906</u>	<u>9,817,894</u>	<u>5,354,373</u>
<i>Total 2016</i>	<u>4,048,144</u>	<u>471,147</u>	<u>835,082</u>	<u>5,354,373</u>	

7. DIRECT COSTS

	Education £	Nursery £	Total 2017 £	Total 2016 £
Pension finance costs	34,000	-	34,000	18,000
Educational supplies	251,021	5,989	257,010	165,130
Staff development	81,057	-	81,057	23,423
Other costs	196,269	-	196,269	99,973
Supply teachers	299,206	-	299,206	119,489
Wages and salaries	4,137,713	61,179	4,198,892	2,418,862
National insurance	337,394	5,963	343,357	168,467
Pension cost	861,896	10,091	871,987	424,777
Depreciation	435,874	6,181	442,055	237,334
	<u>6,634,430</u>	<u>89,403</u>	<u>6,723,833</u>	<u>3,675,455</u>
<i>Total 2016</i>	<u>3,576,221</u>	<u>99,234</u>	<u>3,675,455</u>	

BRIDGE MULTI-ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

8. SUPPORT COSTS

	Education £	Nursery £	Total 2017 £	Total 2016 £
Pension finance costs	29,000	-	29,000	15,000
Educational supplies	-	-	-	552
Other costs	3,032	-	3,032	2,135
Recruitment and support	20,050	-	20,050	3,582
Maintenance of premises and equipment	147,882	4,574	152,456	79,986
Cleaning	61,272	1,924	63,196	18,284
Rent and rates	127,661	4,771	132,432	52,330
Energy costs	117,533	9,233	126,766	60,436
Insurance	130,332	11,230	141,562	79,764
Security and transport	29,966	-	29,966	17,563
Catering	210,479	-	210,479	113,865
Technology costs	105,721	-	105,721	28,757
Office overheads	94,454	661	95,115	52,885
Legal and professional	319,494	-	319,494	162,048
Bank interest and charges	1,165	-	1,165	747
Governance	29,612	-	29,612	29,513
Wages and salaries	891,379	88,788	980,167	603,776
National insurance	51,593	4,415	56,008	32,065
Pension cost	359,354	17,839	377,193	162,715
Depreciation	91,083	16,489	107,572	59,335
	<u>2,821,062</u>	<u>159,924</u>	<u>2,980,986</u>	<u>1,575,338</u>
<i>Total 2016</i>	<u>1,492,704</u>	<u>82,634</u>	<u>1,575,338</u>	

During the year ended 31 August 2017, the Academy Trust incurred the following Governance costs:

£18,615 (2016: £14,760) included within the table above in respect of accountancy fees.

£2,942 (2016: £14,753) included within the table above in respect of legal fees.

£3,902 (2016: £NIL) included within the table above in respect of clerking and company secretarial services.

£6,377 (2016: £NIL) included within the table above in respect of pension and payroll services.

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9. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	5,221,181	3,065,204
Social security costs	405,321	204,863
Operating costs of defined benefit pension schemes	1,259,831	598,790
	<u>6,886,333</u>	<u>3,868,857</u>
Apprenticeship levy	5,334	-
Supply teacher costs	299,206	119,287
Staff restructuring costs	22,545	30,000
	<u><u>7,213,418</u></u>	<u><u>4,018,144</u></u>

Staff restructuring costs comprise:

	2017 £	2016 £
Severance payments	22,545	30,000
	<u><u>22,545</u></u>	<u><u>30,000</u></u>

Included in staff restructuring costs are non-statutory severance payments totalling £22,545 (2016: £30,000). These relate to four individual payments of £16,000, £2,350, £2,000 and £2,195 (2016: one of £30,000) and have been funded by General Annual Grant income.

No honorarium payments were made this year (2016: £16,000 to three individuals).

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

	2017 No.	2016 No.
Teachers	106	90
Teaching assistants, administration and support	283	161
Management	6	5
	<u>395</u>	<u>256</u>
	<u><u>395</u></u>	<u><u>256</u></u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	93	81
Teaching assistants, administration and support	94	94
Management	4	5
	<u>191</u>	<u>180</u>
	<u><u>191</u></u>	<u><u>180</u></u>

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9. STAFF COSTS (continued)

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

	2017	2016
	No.	No.
In the band £60,001 - £70,000	2	2
In the band £90,001 - £100,000	1	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2017, pension contributions for employees whose emoluments fell within the above bands amounted to £28,066 (2016: £17,677).

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £691,689 (2016: £429,032).

10. TRUSTEES' REMUNERATION AND EXPENSES

The Chief Executive and staff Trustees only received remuneration in respect of services they provide undertaking the roles of Chief Executive and staff and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. The value of Trustees' gross salaries in the year was as follows: A Massey between ninety and ninety-five thousand pounds (2016: ninety-five to one hundred thousand pounds). The value of the Trustees' employer pension contributions in the year was as follows: A Massey between fifteen and twenty thousand pounds (2016: fifteen to twenty thousand pounds).

During the year, no Trustees received any benefits in kind (2016: £NIL).

During the year ended 31 August 2017, expenses totalling £1,173 (2016: £386) were reimbursed to 1 Trustee (2016: 1).

11. NET INCOMING/(EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	549,627	296,669
Auditors' remuneration - audit	4,000	3,960
Auditors' remuneration - other services	8,622	10,800
Operating lease rentals	41,013	5,879
	599,262	317,308

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FOR THE YEAR ENDED 31 AUGUST 2017

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £3,744 (2016: £1,370).

13. TANGIBLE FIXED ASSETS

	Freehold property £	Long term leasehold land and buildings £	Solar Panels £	Fixtures and fittings £	Computer equipment £	Total £
COST						
At 1 September 2016	2,913,000	9,926,087	47,500	377,820	308,430	13,572,837
Additions	71,839	1,331,210	-	42,434	41,375	1,486,858
Transfers on conversion	-	33,575	-	12,206	24,472	70,253
At 31 August 2017	<u>2,984,839</u>	<u>11,290,872</u>	<u>47,500</u>	<u>432,460</u>	<u>374,277</u>	<u>15,129,948</u>
DEPRECIATION						
At 1 September 2016	25,775	522,936	12,500	85,558	202,034	848,803
Charge for the year	64,574	280,803	2,375	83,895	117,980	549,627
At 31 August 2017	<u>90,349</u>	<u>803,739</u>	<u>14,875</u>	<u>169,453</u>	<u>320,014</u>	<u>1,398,430</u>
NET BOOK VALUE						
At 31 August 2017	<u>2,894,490</u>	<u>10,487,133</u>	<u>32,625</u>	<u>263,007</u>	<u>54,263</u>	<u>13,731,518</u>
At 31 August 2016	<u>2,887,225</u>	<u>9,403,151</u>	<u>35,000</u>	<u>292,262</u>	<u>106,396</u>	<u>12,724,034</u>

Included in land and buildings is freehold land transferred on conversion of £1,176,000 (2016: £Nil) which is not depreciated.

14. DEBTORS

	2017 £	2016 £
Trade debtors	13,141	900
VAT recoverable	257,798	115,260
Prepayments and accrued income	420,894	640,107
	<u>691,833</u>	<u>756,267</u>

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15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	139,710	729
Other taxation and social security	-	91,633
Other creditors	1,183	101,698
Accruals and deferred income	578,007	626,779
	<u>718,900</u>	<u>820,839</u>

	2017 £	2016 £
DEFERRED INCOME		
Deferred income at 1 September 2016	115,713	99,668
Resources deferred during the year	114,080	115,713
Amounts released from previous years	(115,713)	(99,668)
Deferred income at 31 August 2017	<u>114,080</u>	<u>115,713</u>

The deferred income above relates to monies received in advance by the Academy Trust in respect of:
 Universal Infant Free School Meals (UIFSM) - £114,080.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017 £	2016 £
Other creditors - Salix loan	<u>4,142</u>	<u>-</u>

17. FINANCIAL INSTRUMENTS

	2017 £	2016 £
Financial assets measured at amortised cost	<u>393,706</u>	<u>600,218</u>
Financial liabilities measured at amortised cost	<u>198,421</u>	<u>613,281</u>

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

Financial liabilities measured at amortised cost comprise trade creditors, accruals and other creditors.

BRIDGE MULTI-ACADEMY TRUST
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18. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS						
General funds	872,643	925,188	(684,740)	(1,053,908)	-	59,183
RESTRICTED FUNDS						
General Annual Grant (GAG)	-	6,089,970	(7,092,493)	1,002,523	-	-
UIFSM	-	167,898	(167,898)	-	-	-
High needs funding	-	48,002	(48,002)	-	-	-
Donations	-	15,252	(15,252)	-	-	-
Pupil premium	8,654	390,210	(398,864)	-	-	-
Start up grant	40,477	25,000	(65,477)	-	-	-
Brunel Assets transferred on joining the Trust	71,351	-	(71,351)	-	-	-
PE and sports grant	5,767	86,585	(92,352)	-	-	-
School improvement grant	36,270	-	(36,270)	-	-	-
Primary chain development grant	54,150	-	(54,150)	-	-	-
National Leaders of Governance	261	-	(261)	-	-	-
Other ESFA grants	-	72,639	(72,639)	-	-	-
Other LA grants	-	46,199	(46,199)	-	-	-
Other restricted funds	1,319	17,000	(18,319)	-	-	-
Pension reserve	(2,801,000)	(91,000)	(404,000)	-	1,047,000	(2,249,000)
	<u>(2,582,751)</u>	<u>6,867,755</u>	<u>(8,583,527)</u>	<u>1,002,523</u>	<u>1,047,000</u>	<u>(2,249,000)</u>
RESTRICTED FIXED ASSET FUNDS						
	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
Fixed assets on conversion	11,307,586	70,253	(318,180)	-	-	11,059,659
Fixed assets funded from GAG	301,168	-	(17,296)	95,480	-	379,352
Fixed assets funded from DfE/ESFA/LA Capital grants	1,115,280	-	(214,151)	1,386,055	-	2,287,184
DfE/ESFA/LA Capital grants unspent	83,873	2,529,851	-	(1,430,150)	-	1,183,574
	<u>12,807,907</u>	<u>2,600,104</u>	<u>(549,627)</u>	<u>51,385</u>	<u>-</u>	<u>14,909,769</u>
Total restricted funds	<u>10,225,156</u>	<u>9,467,859</u>	<u>(9,133,154)</u>	<u>1,053,908</u>	<u>1,047,000</u>	<u>12,660,769</u>
Total of funds	<u>11,097,799</u>	<u>10,393,047</u>	<u>(9,817,894)</u>	<u>-</u>	<u>1,047,000</u>	<u>12,719,952</u>

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

STATEMENT OF FUNDS - PRIOR YEAR

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
UNRESTRICTED FUNDS						
General funds	416,384	1,082,792	(457,958)	-	(168,575)	872,643
Fixed assets purchased from unrestricted funds	9,500	-	(9,500)	-	-	-
	<u>425,884</u>	<u>1,082,792</u>	<u>(467,458)</u>	<u>-</u>	<u>(168,575)</u>	<u>872,643</u>
RESTRICTED FUNDS						
General Annual Grant (GAG)	85,053	3,688,294	(3,830,142)	-	56,795	-
UIFSM	-	123,052	(123,052)	-	-	-
High needs funding	-	67,121	(67,121)	-	-	-
Pupil premium	-	281,565	(272,911)	-	-	8,654
Start up grant	15,244	150,000	(124,767)	-	-	40,477
Brunel Assets transferred on joining the Trust	-	71,351	-	-	-	71,351
PE and sports grant	-	29,862	(24,095)	-	-	5,767
School improvement grant	-	45,000	(8,730)	-	-	36,270
Primary chain development grant	-	80,000	(25,850)	-	-	54,150
National Leaders of Governance	261	533	(533)	-	-	261
Other restricted funds	11,802	8,062	(18,545)	-	-	1,319
Pension reserve	(554,000)	(747,000)	(104,000)	-	(1,396,000)	(2,801,000)
	<u>(441,640)</u>	<u>3,797,840</u>	<u>(4,599,746)</u>	<u>-</u>	<u>(1,339,205)</u>	<u>(2,582,751)</u>

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18. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Fixed assets on conversion	5,207,137	6,270,951	(170,502)	-	-	11,307,586
Fixed assets funded from GAG	226,207	-	(36,819)	-	111,780	301,168
Fixed assets funded from DfE/ESFA/LA Capital grants	527,065	-	(79,848)	-	668,063	1,115,280
DfE/ESFA/LA Capital grants unspent	134,774	617,162	-	-	(668,063)	83,873
	<u>6,095,183</u>	<u>6,888,113</u>	<u>(287,169)</u>	<u>-</u>	<u>111,780</u>	<u>12,807,907</u>
Total restricted funds	<u>5,653,543</u>	<u>10,685,953</u>	<u>(4,886,915)</u>	<u>-</u>	<u>(1,227,425)</u>	<u>10,225,156</u>
Total of funds	<u>6,079,427</u>	<u>11,768,745</u>	<u>(5,354,373)</u>	<u>-</u>	<u>(1,396,000)</u>	<u>11,097,799</u>

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

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

High needs - Funding received by the Local Authority to fund further support for students with additional needs.

Pupil Premium - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address underlying inequalities faced by disadvantaged children.

Start up grant – This represents one off funding received from the ESFA to contribute to the cost of converting from a school to an academy.

PE and sports grant – The PE and sport premium is designed to help primary schools improve the quality of the PE and sport activities that the Academy offer its pupils.

School improvement grant – This represents funding to facilitate school improvement in Looe Primary Academy through leadership support, teaching and learning interventions, systems improvement, pupil focused interventions, curriculum re-design or staff restructuring.

Primary chain grant - The primary academy chain grant was to fund the development programme of the multi-academy trust.

Pension reserve – This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme.

Fixed assets transferred on conversion – This represent the buildings and equipment donated to the Academy from the Local Authority on schools converting.

Fixed assets purchased from GAG - This fund represents the net book value of assets funded from GAG.

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

Fixed assets purchased from DfE/ESFA Capital grants since conversion - This fund represents the net book value of assets funded from Devolved Formula Capital, Condition Improvement Funds and other DfE/ESFA capital funds.

DfE/ESFA Capital grants unspent – includes devolved formula capital and other capital grants which represents unspent funding, as at the year end, from the ESFA to cover ongoing capital projects.

During the year, transfers totalling £95,480 were made from GAG to restricted fixed assets and £1,053,908 has been transferred from unrestricted funds to cover GAG expenditure. A transfer has also been made from the restricted fixed asset fund to restricted funds of £44,095 where DFC has been spent on repairs and maintenance.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Wadebridge Primary Academy	90,058	244,503
Looe Primary Academy	132,395	202,989
Delaware Primary Academy	(109,783)	15,600
Gunnislake Primary Academy	45,700	57,799
Brunel Primary Academy	(156,636)	115,048
Darite Primary Academy	85,208	55,880
Pelynt Primary Academy	13,364	130,772
Polruan Primary Academy	(16,913)	72,064
Polperro Primary Academy	140,956	142,913
Lanlivery Primary Academy	(51,793)	66,209
Duloe Primary Academy	(11,757)	-
Central services	(101,616)	(12,885)
Total before fixed asset fund and pension reserve	59,183	1,090,892
Restricted fixed asset fund	14,909,769	12,807,907
Pension reserve	(2,249,000)	(2,801,000)
Total	12,719,952	11,097,799

The following academies are carrying net deficits on their portion of the funds as follows:

Name of academy	Amount of deficit £
Delaware Primary Academy	109,783
Brunel Primary Academy	156,636
Polruan Primary Academy	16,913
Lanlivery Primary Academy	51,793
Duloe Primary Academy	11,757
Central services	101,616

Delaware

During 2016/17, investment was made in Executive leadership to implement the School Improvement strategy in the Academy, which added to anticipated staffing costs. Increased expenditure was incurred during 2016/17 in the Area Resource Base (ARB) unit due to the needs of pupils allocated by Cornwall

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

Council. Unfortunately, funding received from ESFA and top up funding from Local authority did not cover the increased expenditure.

Brunel

Reduction in Government funding and various external and internal pressures has resulted in a financially turbulent year for Bridge Schools. Staffing budgets were under increasing strain from the rise in Superannuation costs during 2016/17 and the absence of senior staff from November to May exacerbated this situation. Therefore, to implement the school improvement strategy to enhance quality, a consultant Executive Head was employed directly to lead this initiative, further increasing staffing expenditure.

Polruan

A geographically disadvantaged academy, Polruan suffers from falling student numbers and therefore falling levels of income. In 2016/17, Polruan academy's income was approximately £12k less than anticipated. This was exacerbated by the rise in superannuation costs.

Lanlivery

Lanlivery Academy converted to the Trust at the beginning of 2016/17. At that time, building work had commenced to create an additional classroom. Unfortunately, all the costs incurred with building, furnishing and maintaining the classroom were incurred by the Trust, consuming the majority of Lanlivery Academy's reserves. Additional costs of classroom used up the majority of reserves. During 2016/17, long term sickness and absence of teaching meant increased TA and agency supply costs putting additional pressure on the budget resulting in an overspend position.

Duloe

Duloe Academy joined the Trust on 1st July 2017. During the remainder of 2016/17, the Trust was obliged to incur a high level of costs to ensure that the continuing supply of utilities was maintained. Invoices relating to the period prior to conversion were overdue and to prevent a loss of service, the Trust had no option but to incur the additional expenditure. Liaison with Cornwall Council is continuing however, at this time it is anticipated that a prior deficit balance will transfer to the Trust.

Central services

During 2016/17 the Trust experienced rapid growth and effectively doubled in size from 5 schools in 2015/16 to 11 by the end of 2016/17. The rate of growth put increasing demand on the Central Team therefore in May 2017 a Chief Financial Officer was appointed along with Area Executive Head Teachers as part of the Senior Team. The additional cost incurred during the final quarter of 2016/17 put a strain on the staffing budget which together with the rise in superannuation costs contributed to the overspend of the Central staffing budgets. In addition, conversion costs incurred during 2016/17 grossly outweighed the Start-up grant received from ESFA. Legal fees incurred by the transferring school in addition to the MAT were paid as part of the transfer, a practice which is becoming common place nationally. Anticipated trading income did not materialise during the year, which further exacerbated the overspend position.

The Academy Trust is taking the following action to return the academies to surplus:

Delaware

A recovery plan to decrease the overspend incurred in 2016/17, has been put in place which will commence during 2017/18 and continue over the next 5 years.

Brunel

A recovery plan to decrease the overspend incurred in 2016/17, has been put in place which will commence during 2017/18 and continue over the next 5 years.

Polruan

In 2017/18 plans have been put in place to boost the recruitment figures for Polruan academy through the utilisation of other assets in the Trust. A recovery plan will be put in place to recover the overspend incurred in 2016/17 over the next 5 years.

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

Lanlivery

A recovery plan to decrease the overspend incurred in 2016/17, has been put in place which will commence during 2017/18 and continue over the next 5 years.

Duloe

During 2017/18, a recovery plan will be put in place to recover the overspend incurred in 2016/17. Future reserves will be accumulated in line with the reserves policy.

Central services

During 2017/18 a realistic budget has been put in place which minimises anticipated trading income together with a recovery plan to decrease the overspend incurred in 2016/17 spread over the next 5 years.

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding deprecia- tion £	Total 2017 £	Total 2016 £
Wadebridge Primary Academy	1,242,085	389,919	164,741	214,423	2,011,168	1,986,800
Looe Primary Academy	816,747	106,448	61,936	169,064	1,154,195	1,143,436
Delaware Primary Academy	484,802	102,896	35,477	103,258	726,433	558,562
Gunnislake Primary Academy	277,457	42,638	14,836	46,712	381,643	236,211
Brunel Primary Academy	1,106,200	233,060	74,538	255,973	1,669,771	514,640
Darite Primary Academy	245,658	30,184	25,368	87,099	388,309	23,438
Pelynt Primary Academy	303,006	35,758	20,295	84,325	443,384	24,526
Polruan Primary Academy	208,676	22,845	12,581	62,145	306,247	16,970
Polperro Primary Academy	366,256	43,685	46,099	107,866	563,906	39,745
Lanlivery Primary Academy	284,032	38,431	34,773	74,675	431,911	30,120
Duloe Primary Academy	45,612	4,881	3,129	9,750	63,372	-
Central services	73,678	362,130	40,434	232,641	708,883	483,256
	5,454,209	1,412,875	534,207	1,447,931	8,849,222	5,057,704

BRIDGE MULTI-ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	13,731,518	13,731,518
Current assets	776,900	-	1,183,576	1,960,476
Creditors due within one year	(717,717)	-	(1,183)	(718,900)
Creditors due in more than one year	-	-	(4,142)	(4,142)
Pension scheme liability	-	(2,249,000)	-	(2,249,000)
	<u>59,183</u>	<u>(2,249,000)</u>	<u>14,909,769</u>	<u>12,719,952</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	12,724,034	12,724,034
Current assets	872,643	1,039,088	83,873	1,995,604
Creditors due within one year	-	(820,839)	-	(820,839)
Provisions for liabilities and charges	-	(2,801,000)	-	(2,801,000)
	<u>872,643</u>	<u>(2,582,751)</u>	<u>12,807,907</u>	<u>11,097,799</u>

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

	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	575,153	6,414,372
Adjustment for:		
Depreciation charges	549,627	296,669
Dividends, interest and rents from investments	(646)	(984)
Decrease/(increase) in debtors	64,434	(41,095)
(Decrease)/increase in creditors	(97,797)	340,766
Capital grants from DfE and other capital income	(2,529,851)	(617,162)
Defined benefit pension scheme obligation inherited	91,000	747,000
Defined benefit pension scheme cost less contributions payable	250,000	71,000
Defined benefit pension scheme finance cost	63,000	33,000
Net gain/(loss) on assets and liabilities from local authority on conversion	15,643	(7,038,685)
Net cash (used in)/provided by operating activities	<u>(1,019,437)</u>	<u>204,881</u>

**BRIDGE MULTI-ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank and in hand	386,126	1,155,464
Cash earmarked for capital projects	882,517	83,873
	<u>1,268,643</u>	<u>1,239,337</u>

22. CONVERSION TO AN ACADEMY TRUST

On 1 July 2017 Duloe Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bridge Multi-Academy Trust from Cornwall Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net loss in the Statement of Financial Activities as Donations - transfer from local authority on conversion and from joining Academy

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Leasehold land and buildings	-	-	33,575	33,575
- Other tangible fixed assets	-	-	36,678	36,678
Budget surplus on LA funds	5,104	-	-	5,104
LGPS pension deficit	-	(91,000)	-	(91,000)
Net assets/(liabilities)	<u>5,104</u>	<u>(91,000)</u>	<u>70,253</u>	<u>(15,643)</u>

The above net liabilities include £5,104 of accrued income, to be transferred as cash.

23. PENSION COMMITMENTS

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £488,506 (2016: £274,204).

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

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

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23. PENSION COMMITMENTS (continued)

out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £539,000 (2016: £329,000), of which employer's contributions totalled £424,000 (2016: £259,000) and employees' contributions totalled £115,000 (2016: £70,000). The agreed contribution rates for future years are 19.8% for employers and 5.5% - 9.9% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Rate of increase in salaries	2.50 %	4.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %
Inflation assumption (CPI)	2.40 %	2.10 %

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

	2017	2016
Retiring today		
Males	22.1	22.2
Females	24.5	24.4
Retiring in 20 years		
Males	24.0	24.4
Females	26.4	26.8

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23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,774,000	1,497,000
Bonds	1,623,000	1,341,000
Property	264,000	218,000
Cash	113,000	62,000
	<u>3,774,000</u>	<u>3,118,000</u>
Total market value of assets	<u>3,774,000</u>	<u>3,118,000</u>

The actual return on scheme assets was £(22,000) (2016: £190,000).

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

	2017 £	2016 £
Current service cost	(765,000)	(330,000)
Past service cost	(38,581)	(33,615)
Interest income	71,000	70,000
Interest cost	(134,000)	(103,000)
	<u>(866,581)</u>	<u>(396,615)</u>
Total	<u>(866,581)</u>	<u>(396,615)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	5,919,000	1,795,000
Current service cost	765,000	330,000
Interest cost	134,000	103,000
Employee contributions	115,000	70,000
Actuarial (gains)/losses	(1,069,000)	1,586,000
Benefits paid	(19,000)	(7,000)
Liabilities assumed in a business combination	178,000	2,042,000
	<u>6,023,000</u>	<u>5,919,000</u>
Closing defined benefit obligation	<u>6,023,000</u>	<u>5,919,000</u>

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FOR THE YEAR ENDED 31 AUGUST 2017

23. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	3,118,000	1,241,000
Interest income	71,000	70,000
Actuarial gains/(losses)	(22,000)	190,000
Employer contributions	424,000	259,000
Employee contributions	115,000	70,000
Benefits paid	(19,000)	(7,000)
Assets acquired in a business combination	87,000	1,295,000
	<u>3,774,000</u>	<u>3,118,000</u>
Closing fair value of scheme assets	<u>3,774,000</u>	<u>3,118,000</u>

24. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
AMOUNTS PAYABLE:		
Within 1 year	35,416	11,544
Between 1 and 5 years	50,497	26,129
	<u>85,913</u>	<u>37,673</u>
Total	<u>85,913</u>	<u>37,673</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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25. RELATED PARTY TRANSACTIONS

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

During the year, the Academy Trust purchased performance review consultancy services from Best Practice Network Limited, a company in which the Trustee, Mr C Mclean is the Managing Director and has significant control, totalling £6,600 (2016: £1,200). The Academy Trust also received income of £1,000 (2016: £Nil) from Best Practice Network Limited for staff time spent on consultancy work during the year. In entering into these transactions, the Academy Trust has complied with the requirements of the Academies Financial Handbook 2016, as well as complying with its own financial scheme of delegation, with no influence or involvement from Mr C Mclean.

During the year, the daughter of Mr P Sadler, the Chair of Trustees for part of the year, was employed by the Academy Trust and received gross salary between fifteen and twenty thousand pounds as well as employer pension contributions between nil and five thousand pounds (2016: Thirty and thirty-five thousand pounds as well as employer pension contributions between five and ten thousand pounds). The employee's appointment was made in open competition, and before Mr P Sadler was appointed as a Trustee of the MAT, hence he was not involved in the decision making process. The employee is paid within the normal pay scales for her role and receives no special treatment as a result of her relationship with the Trustee.

During the year, the company purchased business management consultancy services from Mrs V Crabb, a Trustee, totalling £Nil (2016: £700).

26. POST BALANCE SHEET EVENTS

Since the year end, Trenode Church of England Primary School, St Cleer Primary School and Blisland Primary School have all had DfE approval to join the Academy Trust on 1 March 2018.

27. CONTROLLING PARTY

During the year there was no controlling party.

28. 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.

29. GENERAL INFORMATION

Bridge Multi-Academy Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Higher Trebyan, Lanhydrock, Bodmin, Cornwall, PL30 5DQ.