

Beckfoot Trust

(Formerly the Beckfoot and Hazelbeck Trust)

Annual Report and Financial Statements for the Year Ended 31 August 2015

FOR

BECKFOOT TRUST
(a company limited by guarantee)

COMPANY REGISTERED NUMBER: 8155088
AND AN EXEMPT CHARITY

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REFERENCE AND ADMINISTRATIVE DETAILS

Beckfoot Trust includes Beckfoot School and Hazelbeck School.

Members

J M C Cole
H Griffin (resigned 23/07/15)
J Winkley
S Morrissey (appointed 23/07/15)

Trustees/Company Directors:

S Ali #
C J Burland (Staff trustee) # ^
J M C Cole (Responsible Officer) # ^
P Hill (appointed 04/12/14) ~ ^
D J Horn (CEO, Executive Head,
Accounting Officer & Staff Trustee) ~ ^
M J Kelly ~ ^ >
R Lawrence # ^
J M Lee ~ ^ >
S Pierce (Hazelbeck Headteacher and Staff
Trustee) ~ ^
C D Tebbutt (Operations and Finance
Director, Principal Finance Officer and Staff
Trustee) ~ ^
S K Tollervey # ^
J Winkley (Chair) ~ ^ >

~ members of the Finance and HR
Committee

members of the Audit Committee

^ members of the Education Committee

> members of the Remuneration Committee

Company Secretary

Schofield Sweeney LLP

Beckfoot School Leadership Team:

Headteacher
Deputy Headteacher
Deputy Headteacher
Deputy Headteacher/Trust Business Mgr.
Assistant Headteacher
Assistant Headteacher
Assistant Headteacher
Assistant Headteacher
Assistant Headteacher

D J Horn
G C Halls
T S Smith
C D Tebbutt
D Anness
N Bostock Hayes
D Cooley
T Darling
A Denham

Hazelbeck School Leadership Team:

Executive Headteacher
Headteacher
Deputy Headteacher
Assistant Headteacher
Assistant Headteacher
Trust Business Manager

D J Horn
S J Pierce
E B Mcphail
J E Dowson
H Rowlands
C D Tebbutt

Beckfoot Upper Heaton Leadership Team	
Executive Headteacher	D J Horn
Headteacher	S Wade
Assistant Headteacher	M Ward
Assistant Headteacher	G Wrightson
Assistant Headteacher	A Venables
Behaviour & Attendance Leader	M Midgley
School Business Manager	J S Brophy
Trust Business Manager	C D Tebbutt

**Beckfoot Trust
Reference and Administrative Details**

Company Name	Beckfoot Trust
Principal and Registered Office	Wagon Lane Bingley Bradford West Yorkshire BD16 1EE
Company Registered Number	08155088 (England and Wales)
Independent Auditor	Saffery Champness Mitre House, North Park Road Harrogate HG1 5RX
Bankers	Lloyds Bank PLC Hustlergate PO Box 1000 BX1 1LT
Solicitors	Schofield Sweeney LLP Church Bank House, Church Bank Bradford BD1 4DY

TRUSTEES' REPORT

The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

During the year Beckfoot Trust has operated one secondary school, Beckfoot with a capacity of 1620 students and a roll at October 2015 of 1632 and one secondary special school, Hazelbeck with a capacity of 120 students and a roll in October 2015 of 125. Both schools are regarded by Ofsted as 'Outstanding'.

On 1 September 2015, the Trust completed the sponsorship of Beckfoot Upper Heaton (previously Belle Vue Boys' school) secondary school that has a capacity of 727 students and a roll at October 2015 of 432.

The financial statements have been prepared in accordance with the accounting policies on pages 23 to 26 and the Companies Act 2006, comply with the charitable company's memorandum and articles of association and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 ("SORP 2005").

Structure, Governance and Management

Constitution

Beckfoot Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association dated 9 May 2013 are the primary governing documents of the Academy Trust. The trustees of Beckfoot Trust are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as Beckfoot Trust and changed its name from The Beckfoot and Hazelbeck Trust on 19 January 2015. Details of the directors who served throughout the period are included in the Reference and Administrative details on page 1.

Members' Liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnity Insurance

In accordance with normal commercial practice Beckfoot Trust has purchased indemnity insurance to protect Governors and Officers from claims occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,188.

Method of Recruitment and Appointment or Election of Trustees

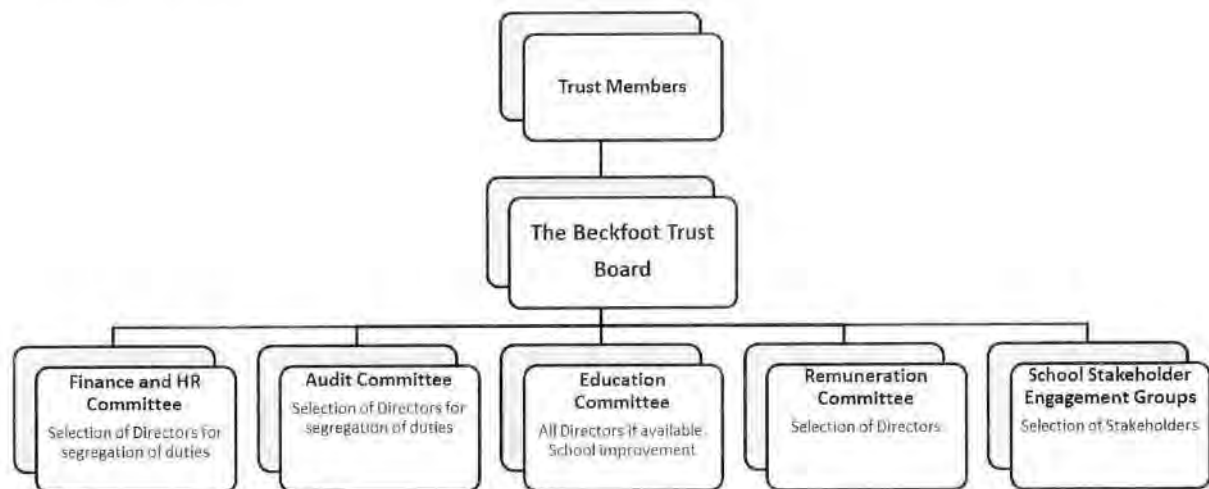
Up to a maximum of 8 directors may be appointed by the members of the charitable company, who are Trustees for the purposes of charity legislation. These directors may then co-opt further directors with no maximum number set. Two Directors must be a parent of a registered pupil at one or more of the Schools. The total number of Directors who are employees of the charitable company shall not exceed one third of the total number of Directors. The term of office for a Director is currently four years and any director may be re-appointed. The Members may appoint Directors through such process as they may determine.

Policies and Procedures Adopted for the Induction and Training of Trustees

New trustees are inducted into the workings of the Academy, including policies and procedures, at arranged meetings with the Operations and Finance Director and the Chief Executive. The training and induction provided for new trustees depends on their existing experience. Where appropriate, induction includes training on charity and educational, legal and financial matters (with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees). Trustees are aware that a budget is available to support training needs on request.

Organisational Structure

The way in which the board of directors/trustees receives advice and delegates responsibilities is described below.



The role of the Board is to ensure Beckfoot Trust is governed and managed so as to comply with requirements set out by the DfE, relevant companies and charities legislation as well as its own governing documents.

The Board is responsible for strategic and school improvement planning, financial and risk management, the appointment of auditors, senior staff appointments and remuneration.

The Finance and HR Committee has delegated responsibility for financial planning and management of all Trust Schools, specifically for delegating responsibility to the Headteacher, recommending budgets to the Board and identifying variances from approved budgets.

The Remuneration Committee has delegated responsibility for Headteacher performance management and the remuneration of higher paid staff.

The Audit Committee has delegated responsibility for the internal controls and the external audit function.

Stakeholder Engagement Groups provide Directors with feedback from each school's community on the effectiveness of the school and on strategic development priorities.

In addition to the above committees there are several ad hoc committees formed as necessary including Student Discipline Committee and Staff Discipline and Grievance Committee.

The Headteacher of Beckfoot School is also the Executive Headteacher of Hazelbeck School and Beckfoot Upper Heaton and is the Trust's Chief Executive and Accounting Officer.

The Operations and Finance Director completes strategic operational and financial management tasks as delegated by the Headteacher. The Operations and Finance Director is also the Trust's Principal Financial Officer.

Related Parties and other Connected Charities and Organisations

Trustees are required to make a declaration of interest annually in order to enable the Trust to identify related parties. Eight related party relationships exist between Trustees and third party suppliers or customers and in each case the financial arrangements meet the requirements of relevant accounting standards and the Financial Handbook. Full details of these relationships can be found in note 23.

Beckfoot School is a member of the Bradford Partnership providing a formal arrangement for sharing best practice and data for school improvement. Hazelbeck Special School is an active member of the special school, District Achievement Partnership (DAP) providing a formal arrangement for sharing best practice and data for school improvement.

Objectives and Activities

Objects and Aims

The principal activities and objects of Beckfoot Trust are:

- The advancement, for public benefit, education in the United Kingdom, in particular establishing, maintaining, managing and developing schools offering a broad and balanced curriculum.
- To provide full or part time education for children of compulsory school age, who otherwise may not for any period receive suitable education unless alternative provision is made for them.
- To make special educational provision for pupils with Special Educational Needs
- To promote for the benefit of the inhabitants of Bradford and surrounding area the provision of facilities for recreation.

Objectives, Strategies and Activities

The Trust has the following Aim:

'To challenge and support all Beckfoot Trust schools on their journey to and beyond Outstanding. To inspire all learners to embrace learning in all its forms and to use their educational experience to make a real difference to their own lives, and to the lives of others'.

Current Progress:

Beckfoot and Hazelbeck are now Outstanding Schools and have ambitious plans to develop further. Beckfoot School was designated as a Teaching School in April 2015, extending its capacity to influence school improvement in the area. Beckfoot Upper Heaton (formerly Belle Vue Boys' school) joined the Trust, 1 September 2015 as a sponsored school and it is establishing itself with a new leadership team and the support of the other Trust schools.

Trust Development:

The Trust is developing plans for further expansion in consultation with the DfE. It is delighted with the benefits derived so far from the combination of special and mainstream

experience and keen to derive transition benefits from working more closely with primary schools. The Trust believes great schools have things in common and new schools joining will be expected to emulate these characteristics:

- A shared vision, values, culture and ethos, based on the highest expectations of all members of the school community.
- Inspirational leadership at all levels throughout the school.
- Exceptional teaching, learning, assessment and feedback to support the highest levels of attainment and achievement.
- A relentless focus on engaging and involving students.
- Personalised and highly effective continuous professional development within a learning community.
- A stimulating and inclusive environment and climate for learning.
- A rich and creative curriculum, within and beyond the classroom, fully meeting the needs of individuals and groups of students.
- High quality partnerships, with parents, the community, other schools and networks, locally, nationally and internationally.
- Robust and rigorous self-evaluation, data analysis and collective review.

Public Benefit

When setting the objectives of the charitable company for the year, the Academy Trust's Directors have given careful consideration to the Charity Commission's guidance on public benefit.

Strategic Report

Achievements and Performance

Beckfoot School's last full Ofsted Inspection was in June 2014 where the school was judged 'Outstanding' in all categories. Hazelbeck School's last full Ofsted Inspection was in February 2015 where the school was judged as 'Outstanding' in all categories. Beckfoot Upper Heaton has not yet received its first Ofsted inspection.

Beckfoot School

Academic outcomes at GCSE remain strong and above national averages. Academic outcomes in 2015 were depressed in line with the national trends of tightening grade boundaries. The academic profile continues to display the characteristics of an outstanding school.

Key Stage 4 Year 11 GCSE Results	2015 Outcome	2014 National
% 5+ A* - C Including English & Maths GCSE	63%	55%
% 5+ A* - C E Bacc (En, Ma, Sc, Lang, Hi/Gg)	46%	24%
% 3+ levels of progress: English	73%	70%
% 3+ levels of progress: Maths	66%	65%
% 4+ levels of progress: English	31%	32%
% 4+ levels of progress: Maths	35%	29%

Key Stage 5 Year 13 A2 Results	2015 Outcome	2014 National
A* - E %	99%	98%
A* - C %	80%	77%
Average Points Score	222	216
ALPS Value Added T Score	4	N/A

Hazelbeck School

Hazelbeck continues to develop as a school following its Outstanding Ofsted inspection in February 2015. The table below identifies pupil progress against their own starting points towards targets set in line with the DfE progression guidance.

All Learners by Subject	2015 Making expected and above expected progress	2014 Making expected and above expected progress
English	86%	87%
Maths	79%	84%
Science	87%	88%
ICT	90%	92%
PSD	82%	88%

Beckfoot Upper Heaton

The Trust was pleased to complete the sponsorship of Beckfoot Upper Heaton (formerly Belle Vue Boys' school) that joined the Trust, 1 September 2015.

Key Financial Performance Indicators

The Academy Trust prepares monthly management accounts and monitors its cash position closely. The KPI's are considered to be; in-year budget variance, and the level of overall reserves.

Going Concern

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

Financial Review

The financial statements show a surplus for the year of £218k (2014: Surplus £74k). There is a pension adjustment in the statement of financial activities of (£105k), excluding this gives the trading surplus of £323k (2014: £179k).

The balance sheet shows net assets of £947k including a pension deficit of (£1,834k). This is an increase of £218k compared to 2014. The level of funds exceeds the reserves policy for both Beckfoot and Hazelbeck.

79% of the Trusts income is the core GAG funding from the Education Funding Agency with a further 12% coming from the local authority as SEN funding. The balance is made up of income from parents for music lessons and trips which are spent on these specific activities and community lettings.

Of the Trusts expenditure 98% is spent on the educational operations of the Trust with the remainder being governance costs and the costs of generating funds. This fits directly with the objects and aims of the Trust.

At the year end the Trust had £4.5m cash, following receipts of debt and payment of all creditors the cash figure falls to £2.1m. The designated reserve and the reserves policy means that actual free cash is £1.5m. This level of cash is required to run the Trust and protect against financial pressure in future years.

Reserves Policy

Beckfoot Trust has 3 categories of reserves: Restricted General Funds, which is GAG funding used to carry out the principal objects of the organisation, Fixed Asset Reserve used to finance fixed assets and Unrestricted Reserves which is used under the direction of the board of directors and which has been delegated to the Governing Body.

The unrestricted reserves of £1,119 (2014: £988) are freely available for general purposes but are subject to a reserves contingency policy. The Trust has an unrestricted reserve contingency policy that protects £190k (Beckfoot £150k and Hazelbeck £40k) as a general contingency, the balance is freely available to the Trust.

The Trustees have designated £466k to be used for the repair and maintenance of identified fixed assets over their lifetime that is measured to the end of the PFI Contract for Beckfoot and Hazelbeck in 2036.

The restricted funds of £172k (2014: £259k) deficit includes a pension liability of £1,834k (2014: £1,729k) and fixed asset funds of £792k (2014: £1,006k). Without these the restricted funds are £870k (2014: £464k) and are freely available to the Trust.

The freely available funds will be used to protect against future year financial pressure from cash flat grant income forecasts and increases in salary costs.

Investment Policy

A return on working capital should be optimised whilst allowing easy access of the funds. In balancing risk against return the Academy policy is geared towards avoiding risk and maximising income from a low risk strategy. All monies are currently held on bank deposit and are attracting interest. The Trust will continue to review the balance of risk and reward in the future and revise its policy accordingly.

Principle Risks and Uncertainties

Beckfoot Trust actively manages risk by monitoring and updating its Risk Register at each Finance and HR Committee meeting. A summary of the two key risks and the control measures in place are noted below:

- Single negative event that could lead to significant negative publicity (includes Strikes, Child protection issues, Disasters etc.) – controlled by the daily business of running effective schools
- Educational outcomes at Beckfoot Upper Heaton do not improve and the school fails to fill to roll threatening its financial viability– controlled by the school improvement plan in place and supported by a financial bridging fund from the Local Authority

Additionally, the Trust creates an individual risk register for each Sponsorship opportunity presented to it by the DfE.

Financial and Risk Management Objectives and Policies

The board is satisfied that its risk management process identifies risks as well as the controls required to mitigate them. In particular, trustees are satisfied that:

- The risks associated with the sponsorship of Beckfoot Upper Heaton have been mitigated
- The West Yorkshire Pension Scheme deficit is understood and financial arrangements are in place to repay the necessary shortfalls
- Cash flow is monitored effectively
- Bad debt risk is minimal

Plans for Future Periods

Beckfoot and Hazelbeck schools have clear an ambitious strategic plans to cover the academic years 2016-2018. A similar strategic plan is being prepared for Beckfoot Upper Heaton. These plans are written to visualise schools that are truly great, and that set new standards for educational communities. The growth of the Trust will see further capacity released to transform educational standards for more students in the Area. The Trust's teaching school status will ensure professional standards continue to rise within Trust schools and those locally.

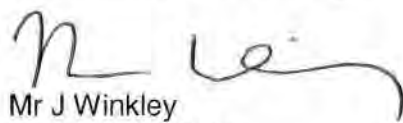
AUDITOR

Saffery Champness have expressed their willingness to remain in office as auditors to Beckfoot Trust.

Insofar as the trustees are aware:

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

Trustees' report incorporating a strategic report, approved by order of the board of trustees on 3 December 2015 and signed on its behalf by:



Mr J Winkley
Chair of Trustees
3 December 2015

GOVERNANCE STATEMENT

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Executive Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Beckfoot 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 has met five times in the period 1 September 2014 to 31 August 2015.

Director	Meetings Attended	Out of a Possible
S Ali	3	5
C J Burland	4	5
J M C Cole	5	5
P Hill	1	2 (joined the Board January 2015)
D J Horn	4	5
M J Kelly	4	5
R Lawrence	5	5
J M Lee	3	5
S J Pierce	5	5
C D Tebbutt	5	5
S K Tollervey	5	5
J Winkley	4	5

The Finance, HR and H & S Committee is a sub-committee of the main board of trustees. It has delegated responsibility for financial management of Beckfoot and Hazelbeck Schools, specifically for delegating responsibility to the Headteacher, recommending budgets to the board, identifying variances from approved budgets, managing Headteacher performance and remuneration and approving the remuneration of higher paid staff. The Finance and HR Committee has met ten times in the period 1 September 2014 to 31 August 2015.

Director	Meetings Attended	Out of a Possible
J M C Cole	8	10
D J Horn	8	10
M J Kelly	9	10
J M Lee	7	10
S J Pierce	10	10
C D Tebbutt	10	10
P Hill	6	6 (joined the Board in January 2015)
J Winkley	10	10

The Audit Committee is a sub-committee of the main board of trustees. The Audit Committee has delegated responsibility for the internal and external audit function. The Audit Committee has met three times in the period 1 September 2014 to 31 August 2015.

Director	Meetings Attended	Out of a Possible
S Ali	2	3
C J Burland	2	3
J M C Cole	3	3
R Lawrence	0	3
S K Tollervey	3	3

Review of Value for Money

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

The accounting officer considers how the 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Reviewing curriculum provision at Beckfoot and revising Teacher pupil ratios to 1:16.3 from 1:14.6 whilst still retaining a rich and varied curriculum
- Obtaining an Outstanding Ofsted inspection result for Hazelbeck Special School that was founded in 2011
- The early termination of an ICT managed service to return control of service delivery and capital cost control to the Trust

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 Beckfoot Trust for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The trustees oversee this risk management framework with regular reviews of the Risk Register at the Finance and HR Committee of the board of trustees. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks and that the process has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- Regular reviews of the academy trust's financial policies and procedures
- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Finance and HR Committee of the board of trustees in respect of each Academy
- Regular reviews by the Finance and HR 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 John Cole, a trustee, as Responsible Officer (RO). The RO is Chair of the Audit Committee of the board of trustees. The RO has appointed an external party to complete a series of internal control checks. The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a regular basis, the RO will report to the board of trustees on the operation of the systems of control and on the discharge of the board's financial responsibilities. During the 2014/15 Financial Year there have been two RO reports, the first with a focus on tendering procedures and internet purchases and the second on BACS, payroll and other financial procedures. The findings of these reports have been positive and useful with a small number of recommendations being incorporated within the financial procedures.

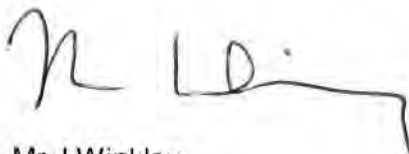
Review of Effectiveness

As accounting officer, David Horn, the Executive Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- The work of the responsible officer and the appointed third party
- The work of the external auditor
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework and the financial policies and procedures

The accounting officer has been advised of the implications of the results of their review of the system of internal control by the audit committee and a plan to ensure continuous improvement is in place.

Approved by the board of trustees on 3 December 2015 and signed on its behalf by:



Mr J Winkley
Chair of Trustees



Mr D J Horn
Accounting officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Beckfoot Trust I have considered my responsibility to notify the board of directors of the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA 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.

I confirm that I and the academy trust board 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.

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 EFA.



Mr D J Horn
Accounting officer
3 December 2015

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees, who act as governors of Beckfoot Trust and are also directors of the Charitable Company for the purposes of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education 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 they 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 at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial 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 in the Charities SORP 2005
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Charitable Company will continue in business

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and which 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 the EFA and Department of Education (DfE) have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 3 December 2015 and signed on its behalf by:



Mr J Winkley
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT

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

We have audited the financial statements on pages 20 to 45. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the company 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the trustees;
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 31 August 2015 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 the Academies Accounts Direction 2014 to 2015 issued by the EFA.
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



Jonathan Davis
Senior Statutory Auditor
For and on behalf of

14/12/15

Saffery Champness
Chartered Accountants
Statutory Auditors
Harrogate Office
Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BECKFOOT TRUST LIMITED AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 18 October 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the academy trust during the period 1 September 2014 to 31 August 2015 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 Beckfoot Trust and the EFA in accordance with the terms of our engagement letter. Our review work has been undertaken so that we might state to Beckfoot Trust and the EFA 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 Beckfoot Trust and the EFA, for our work, for this report, or for the conclusions we have formed.

Respective responsibilities of Beckfoot Trust's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of Beckfoot Trust's funding agreement with the Secretary for State for Education dated 1 August 2013 and the Academies Financial Handbook, extant from 1 September 2014, 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 Academies Accounts Direction 2014 to 2015. 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 period 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. 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.

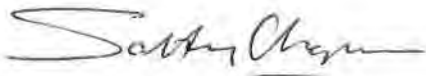
The Beckfoot Trust
Independent Reporting Accountant's Report on Regularity

The work undertaken to draw to our conclusions includes:

- Risk based sample testing on income and expenditure.
- Review of the systems and internal controls in place.
- Making appropriate enquiries of the Accounting Officer.

Opinion

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 period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Jonathan Davis
Reporting Accountant

14/12/15

For and on behalf of

Saffery Champness
Chartered Accountants
Statutory Auditors
Harrogate Office
Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2015 (Including the Income and Expenditure Account and Statement of Total Recognised Gains and Losses)


	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2015 £000	Total 2014 £000
Incoming resources						
<i>Incoming resources from generated funds</i>						
Voluntary income	1	22	-	33	55	10
Activities for generating funds	2	155	-	-	155	173
Investment income	3	11	-	-	11	3
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy Trust's educational operations	4	49	12,627	40	12,716	12,456
Total incoming resources		237	12,627	73	12,937	12,642
Resources expended						
<i>Cost of generating funds:</i>						
Costs of generating voluntary income	5	106	-	3	109	72
<i>Charitable activities:</i>						
Academy's educational operations	5,6	-	12,130	357	12,487	12,473
<i>Governance costs</i>	5,7	-	133	3	136	99
Total resources expended		106	12,263	363	12,732	12,644
Net incoming / (outgoing) resources before transfers						
Gross transfers between funds	16	131	364	(290)	205	(2)
		-	(76)	76	-	-
Net income/(expenditure) for the year		131	288	(214)	205	(2)
Other recognised gains and losses						
Actuarial gain on defined benefit pension schemes	16,24	-	75	-	75	76
Net movement in funds		131	301	(214)	218	74
Funds/(Deficits) brought forward at 1 September 2014	16	988	(1,265)	1,006	729	655
Funds/(Deficits) carried forward at 31 August 2015	16	1,119	(964)	792	947	729

All of the Academy's activities derive from continuing operations during the above two financial periods. A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

BALANCE SHEET AS AT 31 AUGUST 2015 (Company Number: 8155088)

	Note	2015 £000	2015 £000	2014 £000	2014 £000
Fixed assets					
Tangible assets	12		634		853
Current assets					
Stock	13	5		5	
Debtors	14	310		246	
Cash at bank and in hand		4,500		3,610	
			4,815		3,861
Creditors:					
Amounts falling due within one year	15	(2,668)		(2,256)	
Net current assets			2,147		1,605
Total assets less current liabilities			2,781		2,458
Net assets excluding pension liability			2,781		2,458
Pension scheme liability	24		(1,834)		(1,729)
Net assets including pension liability			947		729
Funds of the academy:					
Restricted funds					
Fixed asset fund	16		792		1,006
General fund	16		870		464
Pension reserve	16		(1,834)		(1,729)
Total restricted funds			(172)		(259)
Unrestricted funds					
General fund	16		653		522
Designated funds	16		466		466
Total unrestricted funds			1,119		988
Total funds			947		729

The financial statements on pages 20 to 45 were approved by the Trustees and authorised for issue on 3 December 2015 and are signed on their behalf by:



Mr J Winkley
Chair of Trustees

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £000	2014 £000
Net cash inflow from operating activities	18	993	2,626
Returns on investments and servicing of finance	19	11	3
Capital expenditure	12, 20	(114)	(16)
Increase in cash in the period	21	890	2,613
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2014		3,610	997
Net funds at 31 August 2015		4,500	3,610

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

Statement of Accounting Policies for the Year Ended 31 August 2015

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. Beckfoot Trust is considered to be a going concern for the next 12 months based on budget forecasts and cashflow statements prepared.

Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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.

Donations

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

Donated goods, facilities and services

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with academy trust's accounting policies.

PFI Buildings Policy

Beckfoot and Hazelbeck schools share a campus at Wagon Lane. The property was built under a PFI arrangement as part of the Government's Building Schools for the Future Programme. The property is maintained and managed under a 25 year facilities management contract that expires in 2036.

Beckfoot Upper Heaton has been founded in property inherited from the Local Authority. The Trust will maintain the property until it is replaced in 2016. A new building is under construction as a PFI project that is part of the Government's Priority Schools Building Programme. This property will be maintained under a 25 year facilities management contract that expires in 2041.

Other income

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

Investment income

Investment income is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- ***Costs of Generating Funds***

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- ***Charitable Activities***

These are costs incurred on the academy trust's educational operations.

- ***Governance Costs***

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

VAT

VAT is recoverable on the majority of resources expended, if however it is not recoverable resources expended are shown inclusive of irrecoverable VAT.

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 26.

Tangible Fixed Assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Assets costing less than £500 are written off in the year of acquisition.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Fixtures, Fittings and Equipment	5% to 20% Straight Line
Motor Vehicles	10% Reducing Balance
ICT Equipment	20% to 33.3% Straight Line

A review for impairment will be made if circumstances indicate that the net book value of assets may not be recoverable. Any shortfall between the net book value and their recoverable value is recognised as an impairment and included in the Statement of Financial Activities. This has not occurred in the period ended 31st August 2015.

Investments

The academy's shareholding in the wholly owned and dormant subsidiary, Beckfoot School (Trading) Limited [company number: 8130928 incorporation date: 24th July 2012], is not included in the balance sheet due to the cost of the share capital owned being a minimal value of £1. The investment will not be valued as there is no readily available market value and the cost of valuation exceeds the benefit derived.

Leased Assets

Rentals under operating leases are charged as they are due over the period of the lease agreement.

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.

The Academy Trust is registered for VAT.

Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

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 quinquennial valuations using a prospective benefit method. As stated in Note 24, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

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 the Education Funding Agency or Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency or Department for Education.

It is the policy of the Academy Trust to maintain a minimum unrestricted fund level of £150k for Beckfoot School and £40k for Hazelbeck School.

1. Voluntary Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Donations	22	33	55	10
	<u>22</u>	<u>33</u>	<u>55</u>	<u>10</u>

2. Activities for Generating Funds

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Lettings income	140	-	140	135
Catering income	6	-	6	17
Other income	9	-	9	21
	<u>155</u>	<u>-</u>	<u>155</u>	<u>173</u>

3. Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
Short term deposits	11	-	11	3
	<u>11</u>	<u>-</u>	<u>11</u>	<u>3</u>

4. Funding for Academy's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total 2015 £000	Total 2014 £000
DfE/EFA grants					
GAG	-	10,186	-	10,186	10,462
Start up grants	-	-	-	-	30
Capital	-	-	40	40	16
Other DfE/EFA Grants	-	583	-	583	379
	-	10,769	40	10,809	10,887
Other Government grants					
CBMDC SEN funding	-	1,555	-	1,555	1,335
Other Grants and Income					
Other grants	-	24	-	24	34
Teaching School Income	-	85	-	85	-
Music and Trip Income	21	194	-	215	152
Other income	28	-	-	28	48
	49	303	-	352	234
Total Funding for Educational Operations	49	12,627	40	12,716	12,456

5. Resources Expended

	Staff Costs £000	Non Pay Expenditure		2015 Total £000	2014 Total £000
		Premises £000	Other £000		
Costs of activities for generating funds	81	28	-	109	72
Academy's educational operations					
<i>Direct costs</i>	8,052	341	1,142	9,535	9,519
<i>Allocated support costs</i>	588	2,041	323	2,952	2,954
	8,640	2,382	1,465	12,487	12,473
Governance costs including allocated support costs	67	3	66	136	99
	8,788	2,413	1,531	12,732	12,644

Incoming/(Outgoing) resources for the period include:	2015 £000	2014 £000
Building provision cost	184	142
Fees payable to auditor – audit	10	9
Fees payable to auditor – other	8	4
Operating lease costs	2,069	2,119
Depreciation	370	368

6. Charitable Activities

	Total 2015 £000	Total 2014 £000
Direct costs – educational operations		
Teaching and educational support staff costs	8,052	8,030
Depreciation	341	251
Technology PFI Costs	184	267
Technology Costs	65	57
Educational supplies	352	224
Exam fees	155	174
Staff development	33	101
Educational consultancy	50	50
Educational trips and visit	206	144
Alternative curriculum provision	56	55
Other	41	166
	9,535	9,519
Support costs – educational operations		
Support staff costs	588	535
Depreciation	23	117
Admin Supplies and Services	240	125
Maintenance of premises and equipment	9	26
PFI Charges	1,943	1,880
Rates	66	69
Insurance	43	51
IT Licencing	19	36
Catering	13	79
Other support costs	8	36
	2,952	2,954
Total direct and support costs	12,487	12,473

The comparatives have been restated to more accurately reflect the allocation of costs between direct costs and support costs. This has no impact on the statement of financial activities or the report result for the period.

7. Governance Costs

	Total 2015 £000	Total 2014 £000
Legal and professional fees	38	29
Auditor's remuneration – other	8	4
Auditor's remuneration – Audit of financial statements	10	9
Support staff costs	67	57
Depreciation	3	-
Other governance costs	10	-
	136	99

8. Staff Costs

	2015	2014
	£000	£000
Staff costs during the period were:		
Wages and salaries	7,012	6,923
Social security costs	482	482
Operating costs of defined benefit pension schemes	946	909
	8,440	8,314
FRS 17 Adjustment	180	181
Supply staff costs	62	96
Peripatetic teaching costs	60	72
Restructuring costs	46	-
	8,788	8,663

Included in the restructuring costs is an individual non statutory severance payment of £46,448.

The average number of persons (including senior management team) employed by the Academy during the period expressed as full time equivalents was as follows:

	2015	2014
	No.	No.
<i>Charitable Activities</i>		
Teachers	115	112
Education Support	116	118
Management	13	12
	244	242

The number of employees whose emoluments exceeded £60,000 was:

	2015	2014
	No.	No.
£60,001 - £70,000	4	4
£70,001 - £80,000	1	1
£120,001 - £130,000	1	1
	6	6

Five (2014: five) of the above employees participated in the Teachers' Pension Scheme. The other employee participated in the Local Government Pension Scheme.

9. Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and 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' remuneration was as follows:

Name	Trustees Role	2015	2014
<i>D J Horn</i>	<i>Executive Head and CEO</i>		
Remuneration		£120,001 - £125,000	£120,001 - £125,000
Employers Pension Contributions		£15,001-£20,000	£15,001-£20,000
<i>S Pierce</i>	<i>Headteacher Hazelbeck</i>		
Remuneration		£75,001-£80,000	£70,001 - £75,000
Employers Pension Contributions		£10,001-£15,000	£10,001-£15,000
<i>C D Tebbutt</i>	<i>Business Manager and Finance Director</i>		
Remuneration		£65,001-£70,000	£65,001-£70,000
Employers Pension Contributions		£10,001-£15,000	£10,001-£15,000
<i>C J Burland</i>	<i>Teacher</i>		
Remuneration		£35,001 - £40,000	£35,001 - £40,000
Employers Pension Contributions		£5,001-£10,000	£5,001-£10,000

During the period ended 31 August 2015, travel and subsistence payments totalling £nil (2014: £nil) were reimbursed to no trustees (2014: No trustees).

Other related party transactions involving the trustees are set out in note 23.

10. Trustees' and Officers' Indemnity Insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Governors and officers from claims, occurring whilst they are undertaking Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2015 was £1,188 (2014: £1,188). The cost of this insurance is included in the total insurance cost.

11. Central Improvement Team

The academy trust provides school improvement, human resources and finance as central functions for which each school in the Trust is charged 4% of their core income. The board have approved the method of allocation of these central costs. The actual amounts charged during the period were as follows:

	2015	2014
	£000	£000
Beckfoot School	353	-
Hazelbeck School	100	-
Total Central Costs	453	-

12. Tangible Fixed Assets

	Leasehold Fixtures, Fittings and Equipment £000	ICT Equipment £000	Motor Vehicles £000	Total £000
Cost				
At 1 September 2014	367	844	43	1,254
Additions	12	109	33	154
Disposals	-	(13)	-	(13)
At 31 August 2015	<u>379</u>	<u>940</u>	<u>76</u>	1,395
Depreciation				
At 1 September 2014	74	322	5	401
Charged in period	63	302	5	370
Disposals	-	(10)	-	(10)
At 31 August 2015	<u>137</u>	<u>614</u>	<u>10</u>	761
Net book values				
At 31 August 2015	<u>242</u>	<u>326</u>	<u>66</u>	<u>634</u>
At 1 September 2014	<u>293</u>	<u>522</u>	<u>38</u>	<u>853</u>

13. Stock

	2015 £000	2014 £000
Student Shop	<u>5</u>	<u>5</u>

14. Debtors

	2015 £000	2014 £000
Trade debtors	10	13
VAT recoverable	20	32
Prepayments and accrued income	280	201
	<u>310</u>	<u>246</u>

15. Creditors: amounts falling due within one year

	2015	2014
	£000	£000
Trade creditors	63	1
EFA Creditor	82	-
Other creditors	635	466
Accruals and deferred income	1,888	1,789
	2,668	2,256

	2015	2014
	£000	£000
Deferred Income		
Deferred income at 1 September 2014	81	-
Resources deferred in the year	296	81
Amounts released from previous years	(81)	-
Deferred income at 31 August 2015	296	81

At the balance sheet date the academy trust was holding funds received in advance for devolved formula capital, rates funding, SGO grant, teaching school grant and capacity funding.

Other creditors consists of the following provisions all made in full during the period ended 31 August 2015 in accordance with Financial Reporting Standard 12:

	2015	2014
	£000	£000
Other Creditors		
Property provision	635	451
Payroll provision	-	15
	635	466

16. Funds

	Balance at 1 September 2015 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2015 £000
Restricted general funds					
General Annual Grant (GAG)	394	10,566	(10,084)	(76)	800
Other Government grants	-	1,725	(1,725)	-	-
6th Form Bursary	62	-	-	(62)	-
Lottery Fund	8	-	(8)	-	-
Teaching School	-	85	(15)	-	70
Sponsorship Fund	-	57	(57)	-	-
Other grants/income	-	194	(194)	-	-
Pension liability	(1,729)	-	(180)	75	(1,834)
	(1,265)	12,627	(12,263)	(63)	(964)
Restricted fixed asset funds					
Assets transferred on conversion	839	-	(338)	-	501
Capital funds	153	73	(17)	-	209
Capital expenditure from GAG	14	-	(8)	76	82
	1,006	73	(363)	76	792
Total restricted funds	(259)	12,700	(12,626)	13	(172)
Unrestricted funds					
Designated - FFE fund	466	-	-	-	466
Unrestricted funds	522	237	(106)	-	653
	988	237	(106)	-	1,119
Total funds	729	12,937	(12,732)	13	947

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

Restricted general funds have been spent in line with the terms of the Master Funding Agreement.

The 6th Form Bursary fund is for providing grants to students in the 6th form to be used on the furtherance of educational objectives and has been transferred to creditors in the current year in line with the agency arrangements accounting treatment.

The lottery fund is for providing equipment for outdoor education for the special school.

The teaching school fund is to be used to develop the Beckfoot teaching schools aims and objectives in line with the agreement with the Department for Education.

The Sponsorship fund of £150k was granted from the Department for Education to be spent on the sponsorship of Beckfoot Upper Heaton. £57k has been spent in 2014/15 and the remainder will be spent in 2015/16.

Restricted fixed asset funds are used solely for capital purchases in line with the strategic objectives of Beckfoot Trust.

The restricted pension fund is in deficit to the value of £1,834k as at 31 August 2015, which is in excess of the unrestricted funds, this is due to a lower return on our liabilities within this Financial Year. The trustees will continue to monitor this situation closely.

The FFE fund is designated by the trustees to be spent on repairs and maintenance of certain fixed assets not included in the management companies schedule of maintained assets.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

Analysis of fund balance by school

Fund balances at 31 August 2015 were allocated as follows:

	2015	2014
	£000	£000
Beckfoot School	1,410	1,087
Hazelbeck School	579	365
Total before fixed assets and pension reserve	1,989	1,452
Restricted fixed asset fund	792	1,006
Pension Reserve	(1,834)	(1,729)
	947	729

Analysis of costs by school

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	Total £000
Beckfoot School	6,166	684	976	2,521	10,347
Hazelbeck School	1,770	122	97	50	2,039
	7,936	806	1,073	2,571	12,386

Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	634	634
Current assets	1,152	3,505	158	4,815
Current liabilities	-	(2,668)	-	(2,668)
Pension scheme liability	-	(1,834)	-	(1,834)
Total net assets	1,152	(997)	792	947

17. Financial Commitments

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases and other agreements as follows:

	2015	2014
	£000	£000
Other Operating Leases		
Expiring within one year	70	-
Expiring within two and five years inclusive	22	360
Expiring in over five years	1,759	1,759
	<u>1,851</u>	<u>2,119</u>

There is also a non-cancellable lease relating to the rental of the land and buildings from the City of Bradford Metropolitan District Council. This is for a peppercorn rate and is due to expire in 1st August 2138.

18. Reconciliation of Net Income to Net Cash Inflow from Operating Activities

	2015	2014
	£000	£000
Net income	205	(2)
Depreciation (note 12)	370	368
Capital grants receivable	(40)	-
Loss on disposal of fixed assets	3	-
Bursary funds	(62)	-
FRS 17 pension cost less contributions payable (note 24)	244	193
FRS 17 pension finance income (note 24)	(64)	(12)
Interest receivable	(11)	(3)
Increase in stock	-	(5)
(Increase)/Decrease in debtors	(64)	1,107
Increase in creditors	412	980
Net cash inflow from operating activities	<u>993</u>	<u>2,626</u>

19. Returns on Investment and Servicing of Finance

	2015	2014
	£000	£000
Interest received	11	3
Net cash inflow from returns on investment and servicing of finance	<u>11</u>	<u>3</u>

20. Capital Expenditure and Financial Investment

	2015	2014
	£000	£000
Purchase of tangible fixed assets	(127)	(16)
Assets transferred on termination of ICT contract	(27)	-
Capital grants	40	-
Net cash outflow from capital expenditure and financial investment	<u>(114)</u>	<u>(16)</u>

21. Analysis of Changes in Net Funds

	At 1 September 2014 £000	Cash Flows £000	At 31 August 2015 £000
Cash in hand and at bank	3,610	890	4,500

22. 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 they are a member, or within one year after they cease to be a member, such amount as may be required, but not exceeding £10.00, for the debts and liabilities contracted before they cease to be a member.

23. 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 the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account.

Organisation	Relationship to Trust	Transactions
Bronte Parsonage	J Lee (trustee of the trust) is a trustee	Purchases of £760 relating to an English trip
Bradford Partnership	D Horn (Executive head and trustee of the trust) is a director S Morrissey (member of the trust) is an employee	Membership fees of £12,000 and fees for courses £4,020, sales of £3,500 related to the provision of services (2014 - £10,000)
Bradford Council	H Griffin (ex-member of the trust) is an employee S Ali (trustee of the trust) is a committee member P Hill (trustee of the trust) is an employee	The trust has service level agreements for a number of services with the council and has spent £11,068,888 which largely relates to salary costs and PFI charges (2014 - 11,114,799)
Carlton Bolling School	D Horn (Executive head and trustee of the Trust) is a member of the interim executive board	Sales of £480 relating to CPD recharges
District Achievement Partnership	S Pierce (trustee of the trust) is a director	Sales of £225 relating to CPD recharges Purchases of £15,409 relating to membership and CPD
Nell Bank	J Cole (trustee of the trust) is a trustee	Purchases of £2,645 relating to a year 7 trip (2014 - £2,278)
Titus Salt School	J Cole (trustee of the trust) is a governor	Sales of £1,200 relating to CPD recharges (2014 - £480)
University Academy Keighley	S Morrissey(member of the Trust) is a trustee	Sales of £960 relating to CPD recharges

24. Pension and Similar Obligations

The Academy's employees belong to two principal schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the West Yorkshire Pension Fund. Both are multi-employer defined-benefit schemes and are applicable to staff in both Beckfoot School and Hazelbeck School.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or 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

Not less than every four years 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 (currently 14.1%))
- 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%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £633k (2014: £627k)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

The Local Government Pension Scheme (LGPS)

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contributions made for the period ended 31 August 2015 was £458k, of which employer's contributions totalled £313k and employees' contributions totalled £145k. The agreed contribution rates for future years are 13.9% for employers plus a lump sum contribution of nil and between 5.5% and 7.5% for employees dependent upon their full time equivalent earnings.

Principal Actuarial Assumptions	At 31 August 2015	At 31 August 2014
Rate of increase in salaries	3.5%	3.6%
RPI Inflation increase	3.1%	3.1%
CPI Inflation increase	2.0%	2.1%
Discount rate for scheme liabilities	3.8%	3.7%
Rate of increase in deferred pensions	2.0%	2.1%
Rate of increase to pensions in payment	2.0%	2.1%
Rate of revaluation of pension accounts	2.0%	2.1%
<i>Commutation of pensions to lump sums</i>	75%	75%

Sensitivity analysis has been performed on the principle assumptions of the pension liability including the discount rate, increase in salary rate, rate of increase in pensions and mortality rate. The result of these are shown below:

Adjustment to discount rate	0.1%	(0.1%)
% Change in present value of total obligation	(2.6%)	2.7%
Adjustment to salary increase rate	0.1%	(0.1%)
% Change in present value of total obligation	1.1%	(1.1%)
Adjustment to pension increase rate	0.1%	(0.1%)
% Change in present value of total obligation	1.5%	(1.5%)
Adjustment to mortality age rating	(1) year	1 year
% Change in present value of total obligation	2.5%	(2.5%)

Beckfoot Trust
Notes to the Financial Statements

The current mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. The assumed life expectations on retirement age 65 are:

	At 31 August 2015	At 31 August 2014
Retiring today		
Males	22.6	22.5
Females	25.5	25.4
Retiring in 20 years time		
Males	24.8	24.7
Females	27.8	27.7

The Academy's share of the assets and liabilities in the scheme were:

	Fair Value at 31 August 2015 £000	Fair Value at 31 August 2014 £000
Equities	3,949	3,545
Property	234	156
Government Bonds	541	486
Corporate Bonds	239	245
Cash	79	184
Other	161	105
Total market value of assets	<u>5,203</u>	<u>4,721</u>
Present value of scheme liabilities	7,037	6,450
Deficit in the scheme	<u>(1,834)</u>	<u>(1,729)</u>

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.

Beckfoot Trust employs a building block approach in determining the expected rate of return on fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out above. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the over the actual asset allocation for the Fund at 31 August 2015.

The actual gain on scheme assets for 2015 was £63k (2014: £416k).

Amounts recognised in the Statement of Financial Activities

	2015	2014
	£000	£000
Current service cost (net of employee contributions)	553	514
Total operating charge	553	514

Analysis of pension finance costs

Expected return on pension scheme assets	315	274
Interest on pension liabilities	(251)	(262)
Pension finance costs	64	12

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £92k loss (2014: £167k loss).

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

	2015	2014
	£000	£000
At 1 September	6,450	5,515
Current service cost	553	514
Interest cost	251	262
Employee contributions	145	141
Actuarial (gain)/loss	(327)	66
Benefits paid	(35)	(48)
At 31 August	7,037	6,450

Movements in the present value of academy's share of scheme assets:

	2015	2014
	£000	£000
At 1 September	4,721	3,891
Expected return on assets	315	274
Actuarial loss/(gain)	(252)	142
Employer contributions	309	321
Employee contributions	145	141
Benefits paid	(35)	(48)
At 31 August	5,203	4,721

The estimated value of employer contributions for the period ending 31 August 2016 is £320k.

History of experience adjustments since becoming an academy are as follows:

	2015	2014	2013
	£000	£000	£000
Present value of defined benefits obligations	(7,037)	(6,450)	(5,515)
Fair value of share of scheme	5,203	4,721	3,891
Deficit in scheme	(1,834)	(1,729)	(1,624)
Experience (losses)/gains on share of scheme assets amounts	(252)	142	(115)
Experience (gains)/losses on scheme liabilities amounts	(327)	66	128

25. Events After the Balance Sheet Date

On 1st September 2015, the trust concluded the sponsorship of Beckfoot Upper Heaton (formerly Belle Vue Boys' school). At that point it acquired the assets and liabilities of the school from the Local Authority under the terms of a Commercial Transfer Agreement that included the employment transfer of all the staff. Use of the land and property was transferred to the trust under the terms of a 125 year lease. It is not expected that the transfer of assets will materially affect the Trust balance sheet.

26. Agency Arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2015 the trust received £48k and disbursed £26k from the fund. An amount of £82k is included in other creditors relating to undistributed funds that is repayable to EFA.