



Beckfoot Trust

Annual Report and Financial Statements for the Year Ended 31 August 2018

FOR

BECKFOOT TRUST
(a company limited by guarantee)

COMPANY REGISTRATION NUMBER: 08155088 (England and Wales)
AND AN EXEMPT CHARITY

**BECKFOOT TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	J M C Cole M Eaton H Wallace N J Weller N Whiteside J Winkley
Trustees/Company Directors	S Ali P Hill D J Horn (Chief Executive Officer [CEO], Accounting Officer and Staff Trustee) M J Kelly R Lawrence J M Lee (resigned 28/8/18) D Maybury S Pierce P Speight C D Tebbutt (Chief Operating Officer [COO], Chief Financial Officer and Staff Trustee) S K Tollervey J Winkley (Chair)
Company Secretary	Schofield Sweeney LLP
Senior Management Team	G C Halls Headteacher Beckfoot School D J Horn CEO K Horton Headteacher Beckfoot Allerton Z Mawson Headteacher Beckfoot Heaton Primary School D Maxwell Headteacher Beckfoot Oakbank (part-year) E McPhail Headteacher Hazelbeck School S Morrissey Associate Director for School Improvement J Richardson Headteacher Beckfoot Thornton T Smith Head of School Beckfoot Oakbank (part-year) C D Tebbutt COO S Wade Headteacher Beckfoot Upper Heaton
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 LLP 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 2017 to 31 August 2018. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

During the year Beckfoot Trust consisted of the following academies:

Academy	Date Joined	Type
Beckfoot School	August 2013	Secondary School
Hazelbeck School	August 2013	Secondary Special School
Beckfoot Upper Heaton School	September 2015	Secondary School
Beckfoot Allerton	September 2016	Primary School
Beckfoot Oakbank	September 2016	Secondary School
Beckfoot Thornton	October 2016	Secondary School
Beckfoot Heaton	December 2016	Primary School
Beckfoot Phoenix	September 2017	Primary Special School
Beckfoot Priestthorpe	September 2017	Primary School

The following school joined Beckfoot Trust after 31/8/18:

Academy	Date Joined	Type
Beckfoot Nessfield	September 2018	Primary School

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. Details of the Trustees 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 £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £3,759.

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

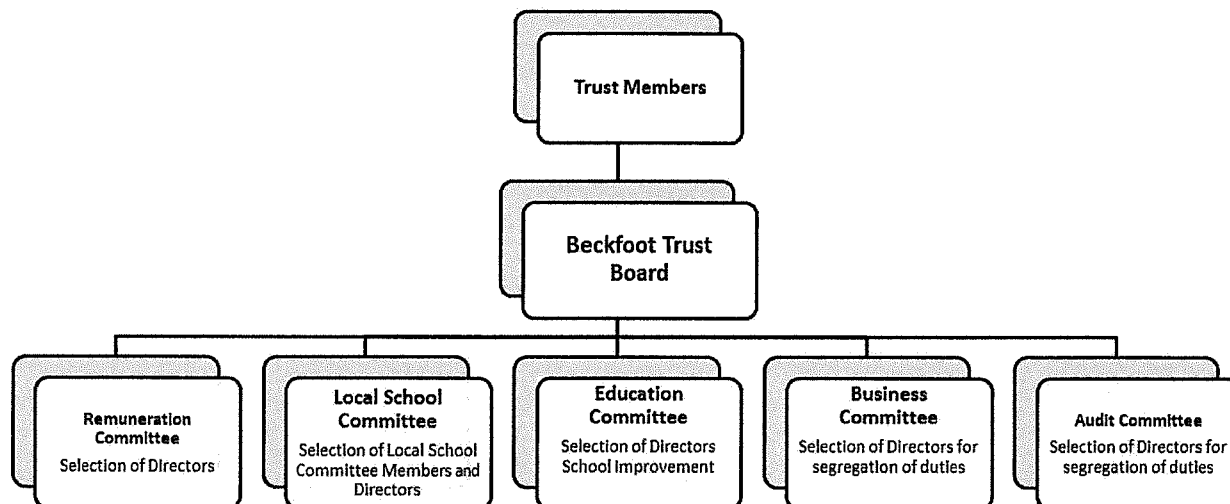
Policies and Procedures Adopted for the Induction and Training of Trustees

New Trustees are inducted into the workings of the Trust, including policies and procedures, at arranged meetings with the Chief Operating Officer (COO) and the Chief Executive Officer (CEO). 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 Trustee). 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, audit, senior staff appointments and remuneration. It prioritises:

1. Ensuring clarity of vision, ethos and strategic direction;
2. Holding executive leaders to account for the educational performance of the organisation and its pupils, and the performance management of staff; and
3. Overseeing the financial performance of the organisation and making sure its money is well spent.

The Education Committee has delegated responsibility for safeguarding, educational standards and improvement in all Trust Schools and specifically for delegating responsibility to the Local School Headteacher.

The Business Committee has delegated responsibility for financial planning and management, human resources, estates management and compliance in all Trust Schools and specifically for delegating responsibility to the Local School Headteacher.

The Local School Committee has delegated responsibility for Local School policy approval, student and staff welfare and parental and stakeholder engagement.

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

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

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 Chief Executive Officer is the Trust's Accounting Officer.

The Chief Operating Officer completes strategic operational and financial management tasks as delegated by the CEO. The Chief Operating Officer is the Trust's Chief Financial Officer.

Arrangements for setting pay and remuneration of key management personnel

The Remuneration Committee of the board is responsible for the performance management and remuneration of the CEO. The CEO is responsible for the performance management of all senior Trust staff (including employed directors), Headteachers and Heads of School. The Remuneration Committee of the board is responsible for setting the pay of all senior Trust staff (including employed directors), Headteachers and Heads of School. Local School Headteachers are responsible for the performance management and the setting of pay for Senior Leadership Team members in accordance with a framework agreed by the CEO.

Trade union facility time

Number of employees who were relevant union officials

Number of employees who were relevant union officials during the relevant period	9
Full-time equivalent employee number	7.83

Percentage of time spent on facility time

Percentage of time	Number of Employees
0%	3
1-50%	6
51-99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	£8,790.40 (plus £34,951 additional facility time funding)
Total pay bill	£33,002,580
Percentage of the total pay bill spent on facility time	0.026% (0.133%)

Time spent on paid trade union activity

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:	The Trust does not currently distinguish between time spent separately on trade union activities and trade union duties and is therefore unable to report on this figure.
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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. Where related party relationships exist between Trustees and third party suppliers or customers 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.

Objectives and Activities

Objects and Aims

The principal activities and objects of Beckfoot Trust are:

- The advancement, for public benefit, of 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 and Disability.
- 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 Core Purpose:

'Beckfoot Trust schools create remarkable learning environments in which students expect success because of their ambitious attitude to learning, the challenge provided by staff and the support they receive at home.

This will be accomplished when each school creates outcomes for learners that rank them in the top 20% by comparison with students in similar schools.'

The Trust organises its work with a strategic focus around four key drivers of success:

1. School improvement at scale
2. People and Talent
3. Enabling Services (IT, estates management and communications)
4. Governance, Finance and Compliance

The Trust's Corporate Strategy is described in the following diagram:



Trust Development:

The Trust is not currently working on plans for further expansion.

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

Trust Achievements and Performance

During the 2017/18 year, Beckfoot Trust operated seven mainstream schools and two special schools. Beckfoot Upper Heaton was inspected in the year and received a Good Ofsted rating improving from the Special Measures judgement received by the school prior to joining Beckfoot Trust in 2015. Outcomes for students in the expanded Trust are indicative of a Trust that has recently taken on a number of schools in difficult circumstances. All the schools are now well led and are responding positively to the Trust's school improvement strategy.

Beckfoot Trust Primary Schools Combined Outcomes for Learners

Primary Schools (figures correct at time of publication)	Trust 2017	Trust 2018	<i>National 2018</i>
Number of schools	2	3	
Total number of pupils on roll (all ages)	1284	1502	
Key Stage 2 Attainment			
Reading, Writing Maths Expected Standard	49%	45%	64%
Reading Expected Standard	61%	55%	75%
Writing Expected Standard	65%	66%	78%
Maths Expected Standard	66%	67%	76%

Beckfoot Trust Secondary Schools Combined Outcomes for Learners

Secondary Schools (figures correct at time of publication)	Trust 2017	Trust 2018	<i>National 2018</i>
Number of schools	4	4	
Total number of pupils on roll (all ages)	4997	5039	
Key Stage 4 Progress			
Progress 8	-0.24	-0.09	0
Key Stage 4 Attainment			
9-4 in English + Maths "Basics"	52%	59%	59%
9-5 in English + Maths "Basics"	30%	37%	40%
Key Stage 5 A Level Attainment			
Average point score per A level entry expressed as a grade	C	C+	C+

Overall Attendance

	Trust 2017	Trust 2018	<i>National 2017</i>
Trust Primary Attendance %	95.3%	95.7%	96.0%
Trust Secondary Attendance %	94.0%	94.6%	94.6%
Trust Special Attendance %	88.8%	88.5%	90.3%

School by School Achievements and Performance

Beckfoot Allerton (Primary School)

Beckfoot Allerton joined the Trust in September 2016, converting with an Outstanding Ofsted rating but with outcomes that had stalled. A new headteacher was appointed in September 2017 and the school is in a period of transition. A Trust support plan has been developed to quality assure student progress data and ensure clarity of purpose for school improvement priorities.

Beckfoot Allerton Primary School (figures correct at time of publication)	Allerton 2017	Allerton 2018
Total number of pupils on roll (all ages)	482	477
Key Stage 2 Attainment (% of pupils reaching the expected standard)		
Reading, Writing Maths Expected Standard	41%	33%
Reading Expected Standard	59%	50%
Writing Expected Standard	59%	52%
Maths Expected Standard	63%	57%

Beckfoot (Secondary School)

Beckfoot joined the Trust in 2013 with a Good Ofsted rating. In 2014, it was graded by Ofsted as Outstanding and it gained a World Class School Quality Mark in 2016. The school's KS4 Progress 8 outcomes in 2018 are above average and the school continues to perform consistently above national averages on all attainment measures.

Beckfoot School (figures correct at time of publication)	Beckfoot 2017	Beckfoot 2018
Total number of pupils on roll (all ages)	1,629	1642
Key Stage 4 Progress		
Progress 8	0.12	0.27
Key Stage 4 Attainment		
9-4 in English + Maths "Basics"	68%	78%
9-5 in English + Maths "Basics"	49%	54%
Key Stage 5 A Level Attainment		
Average point score per A level entry expressed as a grade	C+	C+

Hazelbeck (Secondary Special School)

Hazelbeck special school joined the Trust in 2013 with a Requires Improvement Ofsted rating. In 2015, Ofsted graded it Outstanding. Outcomes for students have continued to improve and in 2018, 90% of sixth form students attained four or more external accreditations. The school was accredited as a 'Research School' in 2018 reflecting its reputation for innovation and creativity.

Hazelbeck School All learners	2016 Making and exceeding expected progress	2017 Making and exceeding expected progress	2018 Making and exceeding expected progress
Total number of pupils on roll	126	132	142
English	89%	83%	92%
Maths	78%	82%	92%
Science	93%	85%	82%

Beckfoot Heaton (Primary School)

Beckfoot Heaton Primary School joined the Trust in December 2016 as a 'convertor' academy with Requires Improvement Ofsted grades in 2014 and June 2016. Pupil outcomes since conversion reflect significant improvement. Most notably, progress in writing and maths place the school in the top 20% or higher compared with similar schools.

Beckfoot Heaton Primary School (figures correct at time of publication)	Heaton 2017	Heaton 2018
Total number of pupils on roll (all ages)	802	815
Key Stage 2 Attainment (% of pupils reaching the expected standard)		
Reading, Writing Maths Expected Standard	55%	48%
Reading Expected Standard	61%	56%
Writing Expected Standard	69%	76%
Maths Expected Standard	68%	73%

Beckfoot Oakbank (Secondary School)

Beckfoot Oakbank joined the Trust in September 2016 as a 'sponsored' academy with an Inadequate Ofsted grade in 2010 followed by two Requires Improvement grades in 2013 and 2015. Academic outcomes in 2017 remained static and the Trust implemented an intervention plan in 2018 that included new leadership arrangements. As a consequence, the school's KS4 Progress 8 score has risen to -0.19 from -0.45 in 2017.

Beckfoot Oakbank School (figures correct at time of publication)	Oakbank 2017	Oakbank 2018
Total number of pupils on roll (all ages)	1512	1529
Key Stage 4 Progress		
Progress 8	-0.45	-0.19
Key Stage 4 Attainment		

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9-4 in English + Maths "Basics"	46%	53%
9-5 in English + Maths "Basics"	18%	32%
Key Stage 5 A Level Attainment		
Average point score per A level entry expressed as a grade	C+	C

Beckfoot Phoenix (Primary Special School)

Beckfoot Phoenix Special School joined the Trust in 2017 as a 'converter' academy with a Good Ofsted grading achieved in 2016 following a Requires Improvement grading in 2014. The school is actively embracing the Trust school improvement agenda and working closely with Hazelbeck Special School. Outcomes continue to improve.

Beckfoot Phoenix Primary Special School All learners	2018 Making and exceeding expected progress
Total number of pupils on roll	87
Reading	95%
Writing	89%
Maths	94%

Beckfoot Priestthorpe (Primary School)

Beckfoot Priestthorpe joined the Trust as a 'converter' academy in 2017 with a Good Ofsted grading achieved in 2016 following a Requires Improvement grading in 2014. It is the smallest mainstream school in the Trust and the Trust is working with leaders to ensure that it benefits of being part of a larger organisation.

Beckfoot Priestthorpe Primary School (figures correct at time of publication)	Priestthorpe 2018
Total number of pupils on roll (all ages)	210
Key Stage 2 Attainment (% of pupils reaching the expected standard)	
Reading, Writing Maths Expected Standard	60%
Reading Expected Standard	68%
Writing Expected Standard	64%
Maths Expected Standard	68%

Beckfoot Thornton (Secondary School)

Beckfoot Thornton joined the Trust in October 2016 as a 'sponsored' school with a Requires Improvement grade from Ofsted in 2014 following a Requires Improvement grade in 2012. Static improvement in overall 2018 outcomes masks stronger outcomes in English and maths at grades 9-4 as well as improvements in science. The school is improving and better outcomes for learners can be expected in 2019.

Beckfoot Thornton School (figures correct at time of publication)	Thornton 2017	Thornton 2018
Total number of pupils on roll (all ages)	1433	1420
Key Stage 4 Progress		
Progress 8	-0.40	-0.48
Key Stage 4 Attainment		
9-4 in English + Maths "Basics"	43%	46%
9-5 in English + Maths "Basics"	24%	24%
Key Stage 5 A Level Attainment		
Average point score per A level entry expressed as a grade	D+	C-

Beckfoot Upper Heaton (Secondary School)

Beckfoot Upper Heaton joined the Trust in September 2015 as a 'fully sponsored' academy with an Inadequate Ofsted judgement in 2014. In 2018, the school was graded Good by Ofsted. Significant improvement in GCSE results at Beckfoot Upper Heaton support this judgement and substantiate the impact of the Trust's school improvement strategy with KS4 Progress 8 outcomes of +0.42.

Beckfoot Upper Heaton School (figures correct at time of publication)	Upper Heaton 2017	Upper Heaton 2018
Total number of pupils on roll (all ages)	423	448
Key Stage 4 Progress		
Progress 8	-0.22	0.42
Key Stage 4 Attainment		
9-4 in English + Maths "Basics"	46%	56%
9-5 in English + Maths "Basics"	27%	29%
Key Stage 5 A Level Attainment		
Average point score per A level entry expressed as a grade	C	N/A

Beckfoot Nessfield (Primary School)

On 1st September 2018, Beckfoot Nessfield joined the Trust as a 'sponsored' academy with a Special Measures Ofsted grade in 2017. As a new member of the Trust, results for Beckfoot Nessfield Primary School are not included in this report.

Key Financial Performance Indicators

As well as the academic outcomes noted above, Beckfoot Trust prepares monthly management accounts and monitors its cash position closely. The KPI's are considered to be pupil to staff ratios, benchmarked average costs, in-year budget variance and the level of reserves available after applying the contingency defined in the reserves policy.

Going Concern

After making appropriate enquiries, the board of Trustees 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 £9,060k (2017: Surplus £25,219k). This surplus is a result of fixed assets donated to the trust of £8,481 and a positive trading position for the schools that received more grant income than they spent in the year.

The balance sheet shows net assets of £32,080k including a pension deficit of £6,609k. Restricted general funds and unrestricted funds are £3,921k and £3,504k respectively. The level of free reserves exceeds the reserves policy for the Trust.

Of the Trust's £50,891k of income, 80% is revenue funding for educational operations, 15% comes from converting schools, capital grants account for 2% and other trading activities teaching school income make up the final 3%.

Of the Trust's expenditure, 99% is spent on the educational operations and 1% is governance costs and the costs of generating funds. This balance of expenditure is consistent with the objects and aims of the Trust.

On 31st August 2018 the Trust had £12,108k cash at the bank. Following receipt of debt and payment of all creditors, the cash figure is reduced to £8,779k. This level of cash is required to run the Trust and protect against financial pressure in future years.

Reserves Policy

The Trustees review the reserve levels of the Trust annually and adjust the reserves policy accordingly. The review considers the strategic requirements for school improvement and consequent investment requirements. It also takes into consideration risks associated with a one off negative event and the cash flow funding consequences associated with expanding and contracting schools. The Trustees have set the level of reserves held for contingency at 2.75% of projected income for the 2018/19 financial year which equates to around £1,230k. The Trusts reserves are in excess of this with restricted (excluding capital and pension) and unrestricted reserves at £7,425k. The Trust feels that given future budget forecasts and increasing cost pressures on academies that this level of funds is required to ensure the going concern of the Trust and its schools.

Investment Policy

A return on working capital should be optimised whilst allowing easy access of the funds. In balancing risk against return the Trust policy is geared towards avoiding risk and maximising income from a low risk strategy. All monies are currently held on bank deposit attracting interest, with a proportion of the reserve funds held in fixed term deposits. Every month a deposit matures which allows the Trust to continue to review the balance of risk and reward in the future and revise its policy accordingly.

Principal Risks and Uncertainties

Beckfoot Trust actively manages risk by monitoring and updating its Risk Register at each Business Committee meeting. Any amendments are discussed by the Board. A summary of the four key risks and the control measures in place are noted below:

1. 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.
2. Educational outcomes at Beckfoot Oakbank do not improve and the school fails to fill to roll threatening its financial viability and judgements about Trust educational improvement capacity – controlled by the Trust School Improvement plan in place.
3. Educational outcomes at Beckfoot Thornton do not improve and the school fails to fill to roll threatening its financial viability and judgements about Trust educational improvement capacity – controlled by the Trust School Improvement Plan in place.
4. Trust schools fail to adequately balance their budgets leading to compromises that detract from school improvement capacity – controlled by implementation of the Trust's Financial Planning and Analysis Strategy

Additionally, each time the Trust implements a due diligence exercise to consider converting a new school it creates an individual risk register to monitor the process.

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 full sponsorship of Beckfoot Upper Heaton have been mitigated by improved academic outcomes in 2016, 2017 and 2018 and by a Good judgement from Ofsted in 2018.
- The educational risks associated with the conversions of Beckfoot Oakbank and Beckfoot Thornton in 2016 are understood and plans are in place to ensure their mitigation.
- The commercial risks associated with the conversions of Beckfoot Phoenix, Beckfoot Priestthorpe and Beckfoot Nessfield are understood and plans are in place to ensure their mitigation.
- Cash flow is monitored effectively.
- Bad debt risk is minimal.

Fundraising

Beckfoot Trust as a charity does not actively fundraise from the public and is not dependent on public donations to carry out its aims and objectives.

Plans for Future Periods

The Trust has established a balanced portfolio of primary and secondary schools delivering mainstream and special educational provision and is not currently planning to expand.

The Trust is ambitious for all its schools and targets educational outcomes that place them in the top 20% by comparison with other schools. A Central Improvement Team co-ordinates the implementation of the Trust School Improvement Framework and allocates improvement capacity where it is needed most. Beckfoot Trust Teaching School assumes responsibility for professional standards and the recruitment and development of leadership talent.

Reserves are carefully monitored and each school prepares financial plans, the Trust ensures they are self-sustaining and allocating resources effectively to drive school improvement. All schools collaborate to benefit from collective purchasing arrangements and this work will continue as the Trust develops.

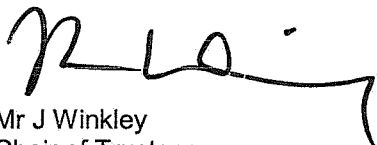
Auditor

Saffery Champness LLP 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 as The Company Directors on 7th December 2018 and signed on its behalf by:



Mr J Winkley
Chair of Trustees
7 December 2018

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 CEO, 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 and supplementary funding agreements 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 Full Board formally has met six times in the period 1 September 2017 to 31 August 2018. Attendance during the year at meetings of the Board of Trustees was as follows:

Director/Trustee	Meetings Attended	Out of a Possible
S Ali	2	6
P Hill	3	6
D J Horn	6	6
M J Kelly	6	6
R Lawrence	3	6
J M Lee	3	6
D Maybury	5	6
S J Pierce	5	6
P Speight	4	6
C D Tebbutt	6	6
S K Tollervey	6	6
J Winkley	4	6

The Education Committee is a sub-committee of the main board of Trustees. It has delegated responsibility for the educational performance of the schools within the Trust. The Education Committee has met seven times in the period 1 September 2017 to 31 August 2018.

Director/Trustee	Meetings Attended	Out of a Possible
P Hill	2	7
D J Horn	7	7
J M Lee	4	7
S J Pierce	2	7
C D Tebbutt	7	7
S K Tollervey	1	7
J Winkley	2	7

The Business Committee is a sub-committee of the main board of Trustees. It has delegated responsibility for financial management, specifically for delegating responsibility to Headteachers, recommending budgets to the board and identifying variances from approved budgets. The Business Committee has met five times in the period 1 September 2017 to 31 August 2018.

Director/Trustee	Meetings Attended	Out of a Possible
D J Horn	5	5
M J Kelly	4	5
D Maybury	5	5
S J Pierce	5	5
P Speight	3	5
C D Tebbutt	5	5
J Winkley	5	5

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 four times in the period 1 September 2017 to 31 August 2018.

Director/Trustee	Meetings Attended	Out of a Possible
S Ali	2	4
P Hill	1	4
R Lawrence	1	4
J M Lee	3	4
S K Tollervey	4	4

The Remuneration Committee is a sub-committee of the main board of Trustees. The Remuneration Committee has delegated responsibility for the performance management and remuneration of the CEO/Executive Headteacher and the remuneration of higher paid Trust staff. The Remuneration Committee has met once in the period 1 September 2017 to 31 August 2018.

Director/Trustee	Meetings Attended	Out of a Possible
D J Horn	1	1
M J Kelly	1	1
J M Lee	1	1
J Winkley	1	1

Review of Value for Money

As accounting officer, the Chief Executive 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:

- Securing a Good outcome Beckfoot Upper Heaton's 2018 Ofsted inspection (Full Sponsorship school).
- Improving secondary school outcomes from 48% of students achieving a GCSE 'basics' score (English and maths) graded 9-4 in 2016 to 59% in 2018.
- Improving primary school reading writing and maths combined outcomes at the expected standard from 34% of pupils in 2016 to 45% of pupils in 2018.

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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of Trustees has reviewed the key risks to which the 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 Business 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The Risk and Control Framework

The 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 that include clearly defined purchasing (asset purchase or capital investment) guidelines.
- Comprehensive budgeting and budget monitoring procedures with monthly management accounts that are reviewed and agreed by the Business Committee of the board in respect of each school.
- Business Committee reviews of business cases for all major purchase decisions.
- Delegation of authority and segregation of duties.
- Identification and management of risks.

The Audit Committee of the board has considered the need for a specific internal audit function and appointed Saffery Champness LLP to undertake reviews in specific areas of control. This year, Saffery Champness LLP conducted an internal audit of financial procedure compliance at the schools that joined the Trust in the financial year (Beckfoot Priestthorpe, Beckfoot Phoenix). The findings of the review were positive with a number of minor points for review. The internal auditor provides a written report of their findings to the Audit Committee which in turn reports 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 year, the Trust also established a system of internal audit based on school-to-school peer review and aims to expand this blended approach to internal audit via a Trust to Trust peer review in the coming year.

Review of Effectiveness

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

- The internal audit system.
- The work of the external auditor.
- The work completed by internal school-to-school peer review.
- The work of the executive managers within the 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 7 December 2018 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 Trust board of Trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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



Mr D J Horn
Accounting Officer
7 December 2018

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 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 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:

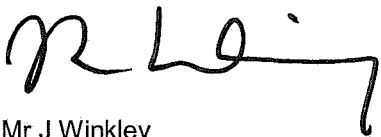
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP and the Academies Accounts Direction 2017 to 2018
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been 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 to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA 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 7 December 2018 and signed on its behalf by:



Mr J Winkley
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BECKFOOT TRUST

Opinion

We have audited the financial statements of Beckfoot Trust for the year ended 31 August 2018 which comprise Statement of Financial Activities, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2017 to 2018

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 charitable company'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.

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.

Opinions 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' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' 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 the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

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:

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 16, the trustees (who are also directors of the charitable 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, 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

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

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

Use of our report

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Davis
Senior Statutory Auditor
For and on behalf of

18/12/18

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

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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

In accordance with the terms of our engagement letter dated 6 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Beckfoot Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Beckfoot Trust's and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Beckfoot Trust and the ESFA those matters we are required to state to them 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 ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Beckfoot Trust's Accounting Officer and the reporting accountant

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

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

Approach

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

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

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

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

The work undertaken to draw our conclusion includes:

- an assessment of the risk of material irregularity and impropriety across the Academy Trust's activities;
- evaluation of the processes and controls established and maintained in respect of regularity, propriety and compliance of the use of public funds through observation and testing of the arrangements in place and enquiry of the Accounting Officer;
- consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance; and

The Beckfoot Trust
Independent Reporting Accountant's Report on Regularity

- limited testing on a sample basis of income and expenditure for the areas identified as high risk.

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 period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



.....
Jonathan Davis
Reporting accountant
For and on behalf of

Saffery Champness LLP
Chartered Accountants
Statutory Auditors
Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX
Date: 18/12/18

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2018

(Including the Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2017/18 £000	Total 2016/17 £000
Income and endowments from:						
Donations and Capital Grants	1	80	-	931	1,011	882
Transfer from local authority on conversion	27	216	(1,012)	8,481	7,685	17,428
<i>Charitable activities</i>						
Funding for the Academy Trust's educational operations	2	104	41,124	-	41,228	37,624
Teaching schools	3	-	110	-	110	140
Other trading activities	4	833	-	-	833	726
Investments	5	24	-	-	24	9
Total income		1,257	40,222	9,412	50,891	56,809
Expenditure on:						
Raising funds	6	146	-	3	149	168
<i>Charitable activities:</i>						
Academy Trusts educational operations	6,7	805	42,179	1,310	44,294	39,025
Teaching schools		-	90	-	90	126
Total resources expended		951	42,269	1,313	44,533	39,319
Net incoming / (outgoing) resources before transfers		306	(2,047)	8,099	6,358	17,490
Gross transfers between funds	17	(476)	(295)	771	-	-
Net (expenditure)/income for the year		(170)	(2,342)	8,870	6,358	17,490
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	24	-	2,702	-	2,702	7,729
Reconciliation of funds		(170)	360	8,870	9,060	25,219
Total funds brought forward	17	3,674	(3,048)	22,394	23,020	(2,199)
Total funds carried forward	17	3,504	(2,688)	31,264	32,080	23,020

All of the Academy's activities derive from continuing operations during the above two financial periods.

BALANCE SHEET AS AT 31 AUGUST 2018

(Company Number: 08155088)

	Note	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Intangible assets	12		113		143
Tangible assets	13		29,797		21,953
Current assets					
Stock	14	29		32	
Debtors	15	1,032		970	
Cash at bank and in hand		12,108		11,199	
			13,169		12,201
Liabilities					
Creditors: Amounts falling due within one year	16	(4,390)		(4,402)	
Net current assets			8,779		7,799
Total assets less current liabilities			38,689		29,895
Net assets excluding pension liability			38,689		29,895
Defined benefit pension scheme liability	24		(6,609)		(6,875)
Net assets including pension liability			32,080		23,020
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	12,13		31,264		22,394
Restricted income fund	17		3,921		3,827
Pension reserve	17		(6,609)		(6,875)
Total restricted funds			28,576		19,346
Unrestricted funds					
General fund	17		3,058		3,228
Designated funds	17		446		446
Total unrestricted funds			3,504		3,674
Total funds			32,080		23,020

The financial statements on pages 22 to 48 were approved by the Trustees and authorised for issue on 7 December 2018 and are signed on their behalf by:



Mr J Winkley
Chair of Trustees

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	446	5,836
Cash flows from investing activities	21	463	157
Increase in cash in the period		909	5,993
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at 1 September 2017		11,199	5,206
Cash and cash equivalents at 31 August 2018	21	12,108	11,199

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

Statement of Accounting Policies for the Year Ended 31 August 2018

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

Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Transfer on Conversion

Where assets and liabilities are received by the academy 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 risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion with donations and capital grant income to the net assets received. Further details of the transactions are set out in note 27.

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 Beckfoot 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.

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

General Annual Grant is recognised in full in the 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 unconditional entitlement to the grant 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 are no performance-related conditions) where there is certainty of receipt and the amount can be reliably measured.

Other Income

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

Donated goods, facilities, and fixed assets

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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

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.

New buildings have been constructed at Beckfoot Upper Heaton and Beckfoot Oakbank as PFI projects that are part of the Government's Priority Schools Building Programme. These properties will be maintained under a 25 year facilities management contract that expires in 2041 and 2042 respectively.

None of these buildings are recognised on the balance sheet of the Trust as the risk and rewards of ownership do not lie with the Trust.

Investment income

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

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

These are costs incurred by the academy trust to raise funds for its charitable purposes and include the costs of all fundraising activities events and non-charitable trading.

Charitable Activities

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

All resources expended are shown inclusive of irrecoverable VAT.

Agency Arrangements

The academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA 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.

Intangible Fixed Assets

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Purchased computer software	20%
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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.

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 the restricted fixed asset fund in the Statement of financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Freehold buildings	32-49 Years Straight Line
Leasehold buildings – over the life of the lease	33-44 Years Straight Line
Fixtures, Fittings and Equipment	3-20 Years Straight Line
Motor Vehicles	10 Years Straight Line
ICT Equipment	3-20 Years Straight Line

Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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 impairment and included in the Statement of Financial Activities.

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.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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.

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 15. Prepayments are not financial instruments. Amounts due to the charity'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 cost as detailed in notes 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Provisions

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

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

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.

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 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency

to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund Accounting

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

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

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

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 24, 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.

1. Donations and Capital Grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Capital Grants	-	931	931	844
Donations	80	-	80	38
Transferred on Conversion	216	7,469	7,685	17,428
	<u>296</u>	<u>8,400</u>	<u>8,696</u>	<u>24,635</u>
<i>2017 Total</i>	<u>1,959</u>	<u>16,351</u>	<u>18,310</u>	

2. Funding for Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
DfE/ESFA grants				
GAG	-	33,568	33,568	31,418
Pupil Premium	-	2,178	2,178	1,729
Start-up grants	-	56	56	11
Other DfE/ESFA Grants	-	476	476	1,209
	<u>-</u>	<u>36,278</u>	<u>36,278</u>	<u>34,364</u>
Other Government grants from educational operations				
Local Authority Grants	-	4,300	4,300	2,464
Other Government Grants	-	-	-	2
	<u>-</u>	<u>4,300</u>	<u>4,300</u>	<u>2,466</u>
Other Grants and Income				
Other grants	-	-	-	124
Music and Trip Income	104	392	496	362
Other income	-	154	154	308
	<u>104</u>	<u>546</u>	<u>650</u>	<u>794</u>
Total Funding for Educational Operations	<u>104</u>	<u>41,124</u>	<u>41,228</u>	<u>37,624</u>
<i>2017 Total</i>	<u>226</u>	<u>37,398</u>	<u>37,624</u>	

3. Teaching school income

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Teaching school services	-	110	110	140
	<u>-</u>	<u>110</u>	<u>110</u>	<u>140</u>
<i>2017 Total</i>	<u>-</u>	<u>140</u>	<u>140</u>	

4. Other Trading Activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Lettings income	209	-	209	170
Catering income	584	-	584	534
Other income	40	-	40	22
	<u>833</u>	<u>-</u>	<u>833</u>	<u>726</u>
<i>2017 Total</i>	<u>726</u>	<u>-</u>	<u>726</u>	

5. Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Short term deposits	24	-	24	9
	<u>24</u>	<u>-</u>	<u>24</u>	<u>9</u>
<i>2017 Total</i>	<u>9</u>	<u>-</u>	<u>9</u>	

6. Resources Expended

	Staff Costs £000	Non Pay Expenditure		2017/18 Total £000	2016/17 Total £000
		Premises £000	Other £000		
Expenditure on raising funds	144	2	3	149	168
Academy's educational operations:					
<i>Direct costs</i>	29,114	1,178	3,746	34,038	28,981
<i>Allocated support costs</i>	5,158	2,760	2,338	10,256	10,044
Teaching school	56	-	34	90	126
	<u>34,471</u>	<u>3,940</u>	<u>6,121</u>	<u>44,533</u>	<u>39,319</u>
<i>2017 Total</i>	<u>30,584</u>	<u>3,904</u>	<u>11,156</u>	<u>45,644</u>	

Net income/(expenditure) for the period include:	2018 £000	2017 £000
Building provision cost	141	136
Fees payable to auditor – audit	26	22
Fees payable to auditor – other	14	4
Operating lease costs	2,020	1,896
Depreciation	1,104	807
Amortisation of intangible fixed assets	<u>33</u>	<u>22</u>

7. Charitable Activities

	Total 2018 £000	Total 2017 £000
Direct costs – educational operations	34,038	28,981
Support costs – educational operations	10,256	10,044
Total direct and support costs	44,294	39,025

Analysis of support costs

Support staff costs	5,158	5,288
Depreciation	171	477
Technology costs	155	157
Premises costs	2,760	2,509
Other support costs	1,970	1,570
Governance costs	42	43
	10,256	10,044

8. Staff Costs

	2018 £000	2017 £000
Staff costs during the period were:		
Wages and salaries	25,886	22,578
Social security costs	2,325	2,072
Operating costs of defined benefit pension schemes	5,337	5,028
	33,548	29,678
Supply staff costs	874	798
Peripatetic teaching costs	6	37
Restructuring costs	43	71
	34,471	30,584

Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £43,000 (2017: £25,000). Individually, the payments were: £25,000 paid 29/3/18 and £18,000 paid 26/9/18.

Staff numbers

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

	2018 No.	2017 No.
Charitable Activities		
Teachers	373	357
Administration and Support	619	535
Management	68	61
	1,060	953

Higher paid staff

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

	2018	2017
	No.	No.
£60,001 - £70,000	11	5
£70,001 - £80,000	2	3
£80,001 - £90,000	5	5
£90,001 - £100,000	1	1
£120,001 - £130,000	-	-
£130,001 - £140,000	1	1
	20	15

Nineteen (2017: Fourteen) of the above employees participated in the Teachers' Pension Scheme. The other employee participated in the Local Government Pension Scheme.

Key Management Personnel

The key management personnel of the academy Trust comprise the 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 £1,112,736 (2017: £983,715).

9. Trustees' Remuneration and Expenses

The highest paid Trustee received remuneration of £137k (2017: £137k).

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 under their contracts.

The value of Trustees' remuneration and other benefits was as follows:

Name	Trustees Role	2018	2017
<i>D J Horn</i>	<i>Chief Executive Officer</i>		
Remuneration		£135,000-£140,000	£135,000-£140,000
Employers Pension Contributions		£20,001-£25,000	£20,001-£25,000
<i>C D Tebbutt</i>	<i>Chief Operating Officer</i>		
Remuneration		£80,001-£85,000	£80,001-£85,000
Employers Pension Contributions		£10,001-£15,000	£10,001-£15,000

During the period ended 31 August 2018, travel and subsistence payments totalling £1,286.34 (2016: £934.05) were reimbursed to two Trustee (2017: two Trustee).

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 £5,000,000 on any one claim and the cost for the period ended 31 August 2018 was £3,759 (2017: £2,847). The cost of this insurance is included in the total insurance cost.

11. Central Improvement Team

The academy Trust provides the following central services to its schools during the year:

- School improvement
- Human resources
- Finance
- Estates Management
- Compliance

During the year each school has been charged a flat 2.5% (2017: 2%) of grant income. The board has approved the method of allocation of these central costs. The actual amounts charged during the period were as follows:

	2018	2017
	£000	£000
Beckfoot Allerton	58	43
Beckfoot Heaton	102	63
Beckfoot Oakbank	225	172
Beckfoot Phoenix	43	-
Beckfoot Priestthorpe	25	-
Beckfoot School	216	182
Beckfoot Thornton	213	153
Beckfoot Upper Heaton	87	74
Hazelbeck School	79	63
Total Central Charge	1,048	750

12. Intangible Fixed Assets

	Computer Software £000	Total £000
Cost (Restated)		
At 1 September 2017	195	195
Donated on conversion	-	-
Additions	3	3
Disposals	-	-
At 31 August 2018	198	198
Depreciation (Restated)		
At 1 September 2017	52	52
Charged in period	33	33
Disposals	-	-
At 31 August 2018	85	85
Net book values		
At 31 August 2018	113	113
At 1 September 2017	143	143

The cost and accumulated depreciation brought forward of computer software has been restated to better reflect the position of the Trust, the net book value remains unchanged.

13. Tangible Fixed Assets

	Freehold land and buildings £000	Leasehold land and buildings £000	Fixtures, Fittings and Equipment £000	ICT Equipm ent £000	Motor Vehicles £000	Total £000
Cost (Restated)						
At 1 September 2017	13,073	8,010	2,000	1,368	87	24,628
Donated on conversion	8,352	-	104	22	-	8,478
Additions	-	80	179	231	-	490
Disposals	-	-	(37)	(3)	-	(40)
At 31 August 2018	21,425	8,180	2,246	1,618	87	33,556
Depreciation (Restated)						
At 1 September 2017	288	162	1,513	661	51	2,675
Charged in period	476	197	113	311	7	1,104
Disposals	-	-	(18)	(2)	-	(20)
At 31 August 2018	764	359	1,608	970	58	3,759
Net book values						
At 31 August 2018	20,661	7,821	638	648	29	29,797
At 1 September 2017	12,785	7,938	487	707	36	21,953

The Trust's transactions relating to land and buildings included:

- The acquisition of the freehold on the land and buildings at Priestthorpe which was donated to the Trust on 1 September 2017 when the school joined the Trust at a value of £1,762k.
- The acquisition of the freehold on the land and buildings at Phoenix which was donated to the Trust on 1 October 2017 when the school joined the Trust at a value of £6,590k.

The cost and accumulated depreciation brought forward of fixture, fittings and equipment, ICT and motor vehicles have been restated to better reflect the position of the Trust, the net book value remains unchanged.

14. Stock

	2018 £000	2017 £000
Student Shop	15	16
Clothing	6	8
Catering	8	8
	29	32

15. Debtors

	2018 £000	2017 £000
Trade debtors	50	105
VAT recoverable	210	83
Prepayments and accrued income	772	782
	1,032	970

16. Creditors

Amounts falling due within one year

	2018	2017
	£000	£000
Trade creditors	120	74
ESFA Creditor	254	187
Other creditors	657	2,845
Accruals and deferred income	3,359	1,296
	4,390	4,402

	2018	2017
	£000	£000
Deferred Income		
Deferred income at 1 September 2017	543	81
Resources deferred in the year	261	543
Amounts released from previous years	(543)	(81)
Deferred income at 31 August 2018	261	543

At the balance sheet date the Academy Trust was holding funds received in advance for rates funding, SGO grant, teaching school grant and capacity funding.

Other creditors includes of the following provisions recognised in accordance with Financial Reporting Standard 102:

	2018	2017
	£000	£000
Other Creditors		
Property provision	597	474
	597	474

See over..

17. Funds

	Balance at 1 September 2017 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	3,697	34,851	(34,477)	(295)	3,776
Other Government grant	-	3,658	(3,658)	-	-
Pupil Premium	-	2,178	(2,178)	-	-
Start Up Grant	-	45	-	-	45
Northern Fund	50	-	(50)	-	-
Trip Income	-	392	(392)	-	-
Teaching School	80	110	(90)	-	100
Pension reserve	(6,875)	(1,012)	(1,424)	2,702	(6,609)
	(3,048)	40,222	(42,269)	2,407	(2,688)
Restricted fixed asset funds					
Fixed Asset Fund	22,096	8,481	(1,159)	492	29,910
Capital funds	298	931	(154)	279	1,354
	22,394	9,412	(1,313)	771	31,264
Total restricted funds	19,346	49,634	(43,582)	3,178	28,576
Unrestricted funds					
Designated - FFE fund	446	-	-	-	446
Unrestricted funds	3,228	1,257	(951)	(476)	3,058
	3,674	1,257	(951)	(476)	3,504
Total funds	23,020	50,891	(44,533)	2,702	32,080

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 start up grant was received by the Trust on behalf of Nessfield and will be spent in the upcoming year to support the school improvement at Nessfield.

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 restricted fixed asset fund relates to assets held by the trust and increases in line with additions, depreciation and disposals in the year have reduced the fund by £1,159k

Capital funds are used solely for capital purchases in line with the strategic objectives of Beckfoot Trust. Additions in the year, mostly of ICT equipment, have resulted in a transfer of £279k from capital funds. A balance of £1,354k remains on the capital fund at 31 August 2018 and relates in large part to the trust condition allowance.

The restricted pension fund is in deficit to the value of £6,609k as at 31 August 2018. This year the fund includes the deficit balances on conversion of the new schools joining the trust of £1,012k. However the position has been improved by an actuarial gain made in the year of £2,702k. The Trustees 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 PFI provider's 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 2018.

Beckfoot Trust
Notes to the Financial Statements

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

	Balance at 1 September 2016 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2017 £000
Restricted general funds					
General Annual Grant (GAG)	2,327	31,418	(30,048)	-	3,697
Other Government grant		3,675	(3,675)	-	-
Pupil Premium	-	1,726	(1,726)	-	-
Start Up Grant	-	11	(11)	-	-
Northern Fund	50	-	-	-	50
Trip Income	-	343	(343)	-	-
Teaching School	66	140	(126)	-	80
Sponsorship Fund	110	-	(110)	-	-
Other grants	-	225	(225)	-	-
Pension reserve	(6,575)	-	(8,029)	7,729	(6,875)
	(4,022)	37,538	(44,293)	7,729	(3,048)
Restricted fixed asset funds					
Fixed Asset Fund	588	22,256	(902)	154	22,096
Capital funds	32	420	-	(154)	298
	620	22,676	(902)	-	22,394
Total restricted funds	(3,402)	60,124	(45,195)	7,729	19,346
Unrestricted funds					
Designated - FFE fund	446	-	-	-	446
Unrestricted funds	757	2,920	(449)	-	3,228
	1,203	2,920	(449)	-	3,674
Total funds	(2,199)	63,134	(45,644)	7,729	23,020

Beckfoot Trust
Notes to the Financial Statements

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	2,327	66,269	(64,525)	(295)	3,776
Other Government grant	-	7,333	(7,333)	-	-
Pupil Premium	-	3,904	(3,904)	-	-
Start Up Grant	-	56	(11)	-	45
Northern Fund	50	-	(50)	-	-
Trip Income	-	735	(735)	-	-
Teaching School	66	250	(216)	-	100
Sponsorship Fund	110	-	(110)	-	-
Other grants	-	225	(225)	-	-
Pension reserve	(6,575)	(1,012)	(9,453)	10,431	(6,609)
	(4,022)	77,760	(86,562)	10,136	(2,688)
Restricted fixed asset funds					
Fixed Asset Fund	588	30,737	(2,061)	646	29,910
Capital funds	32	1,351	(154)	125	1,354
	620	32,088	(2,215)	771	31,264
Total restricted funds	(3,402)	109,848	(88,777)	10,907	28,576
Unrestricted funds					
Designated - FFE fund	446	-	-	-	446
Unrestricted funds	757	4,177	(1,400)	(476)	3,058
	1,203	4,177	(1,400)	(476)	3,504
Total funds	(2,199)	114,025	(90,177)	10,431	32,080

Analysis of fund balance by school

Fund balances at 31 August 2018 were allocated as follows:

	2018 £000	2017 £000
Beckfoot	2,345	2,255
Beckfoot Allerton	199	301
Beckfoot Heaton Primary	717	762
Beckfoot Oakbank	705	754
Beckfoot Phoenix	57	-
Beckfoot Priestthorpe	87	-
Beckfoot Teaching School	99	79
Beckfoot Thornton	1,363	1,101
Beckfoot Upper Heaton	730	752
Central Improvement Team	188	175
Hazelbeck	993	948
Total before fixed assets and pension reserve	7,483	7,125
Central Capital Reserve	1,296	674
Restricted fixed asset fund	29,910	22,096
Pension Reserve	(6,609)	(6,875)
	32,080	23,020

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 2018 £000	Total 2017 £000
Beckfoot	5,681	641	897	2,292	9,511	9,163
Beckfoot Allerton	1,498	303	198	320	2,318	2,191
Beckfoot Heaton Primary	2,377	526	201	712	3,816	2,651
Beckfoot Oakbank	5,924	1,210	605	1,247	8,986	8,728
Beckfoot Phoenix	1,164	163	35	237	1,599	-
Beckfoot Priestthorpe	624	129	56	147	956	-
Beckfoot Thornton	5,490	1,204	502	996	8,192	7,257
Beckfoot Upper Heaton	2,239	556	181	481	3,457	3,216
Hazelbeck	2,216	56	90	657	3,019	2,555
	27,213	4,788	2,765	7,089	41,855	35,761

Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Intangible fixed assets	-	-	113	113
Tangible fixed assets	-	-	29,797	29,797
Current assets	3,504	8,311	1,354	13,169
Current liabilities	-	(4,390)	-	(4,390)
Pension scheme liability	-	(6,609)	-	(6,609)
Total net assets	3,504	(2,688)	31,264	32,080

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

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Intangible fixed assets	-	-	143	143
Tangible fixed assets	-	-	21,953	21,953
Current assets	3,674	8,229	298	12,201
Current liabilities	-	(4,402)	-	(4,402)
Pension scheme liability	-	(6,875)	-	(6,875)
Total net assets	3,674	(3,048)	22,394	23,020

18. Capital commitments

	2018 £000	2017 £000
Contracted for, but not provided in the financial statements	78	128

19. Financial Commitments

At 31 August 2018 the Academy Trust's minimum lease payments under non-cancellable operating leases and other agreements were as follows:

	2018	2017
	£000	£000
Due in one year	2,228	1,974
Due between one and five years	8,964	7,810
Due after five years	<u>30,272</u>	<u>27,237</u>
	<u>41,464</u>	<u>35,179</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.

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

	2018	2017
	£000	£000
Net income	6,358	17,490
Amortisation (note 12)	33	22
Depreciation (note 13)	1,104	807
Capital grants receivable	(931)	(844)
Fixed assets inherited on conversion	(8,481)	(21,696)
Other Fixed Asset Movements	22	55
Defined benefit pension scheme obligation inherited	1,012	6,325
Defined benefit pension scheme cost less contributions payable (note 24)	1,273	1,466
Defined benefit pension scheme finance income (note 24)	151	238
Interest receivable	(24)	(9)
Decrease/(Increase) in stock	3	(27)
(Increase)/Decrease in debtors	(62)	(683)
Increase/(Decrease) in creditors	(12)	2,692
Net cash inflow from operating activities	<u>446</u>	<u>5,836</u>

21. Cash flows from investing activities

	2018	2017
	£000	£000
Interest received	24	9
Purchase of fixed assets	(492)	(696)
Capital grants	931	844
Net cash inflow from returns on investment and servicing of finance	463	157

Analysis of cash and cash equivalents

	At 1 September	Cash	At 31 August
	2017	Flows	2018
	£000	£000	£000
Cash in hand and at bank	11,199	(7,591)	3,608
Notice deposits (less than 3 months)	-	4,000	4,000
Notice deposits (more than 3 months)	-	4,500	4,500
	11,199	909	12,108

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 members of 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. Included in creditors at year end is £2,647k due to the local authority for payroll costs, there are no other amounts included in debtors or creditors due to or from related parties.

Organisation	Relationship to Trust	Transactions
Bradford Council	S Ali (Trustee of the Trust) is a committee member	The Trust has service level agreements for a number of services with the council and has spent £35,706,135 which largely relates to salary costs and PFI charges (2016: £32,472,489)
Nell Bank	J Cole (Member of the Trust) is a Trustee	Purchases of £5,101 relating to trips from Hazelbeck and Allerton (2017: £4,404)

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 all Trust schools.

The LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year/period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy Trust at the balance sheet date.

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 2016.

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

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 September 2019.

The pension costs paid to TPS in the period amounted to £2,523k (2017: £2,284k).

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

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 2018 was £1,909k, of which employer's contributions totalled £1,397k and employees' contributions totalled £519k. 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.

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	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.25%	3.25%
RPI Inflation increase	3.1%	3.1%
CPI Inflation increase	2.0%	2.0%
Discount rate for scheme liabilities	2.8%	2.5%
Rate of increase in deferred pensions	2.0%	2.0%
Rate of increase to pensions in payment	2.0%	2.0%
Rate of revaluation of pension accounts	2.0%	2.0%
<i>Commutation of pensions to lump sums</i>	75%	75%

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 2018	At 31 August 2017
Retiring today		
Males	22.1	22.1
Females	25.3	25.2
Retiring in 20 years' time		
Males	23.1	23.0
Females	27.1	27.0

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:

	At 31 August 2018	At 31 August 2017
	£000	£000
Discount rate +0.1%	29,785	26,174
Discount rate -0.1%	31,187	27,406
Mortality assumption – 1 year increase	31,363	25,976
Mortality assumption – 1 year decrease	29,596	27,596

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

	Fair Value at 31 August 2018 £000	Fair Value at 31 August 2017 £000
Equities	17,807	15,349
Property	1,002	896
Government Bonds	2,578	1,911
Corporate Bonds	835	776
Cash	525	299
Other	1,122	677
Total market value of assets	23,869	19,908
Present value of scheme liabilities	30,478	26,783
Deficit in the scheme	(6,609)	(6,875)

The actual interest on scheme assets for 2017 was £315k (2016: return £220k).

Amounts recognised in the Statement of Financial Activities

	2018 £000	2017 £000
Current service cost (net of employee contributions)	2,670	2,484
Employers contribution	(1,397)	(1,018)
New academies transfer in	1,012	6,325
Past service cost	-	-
Net interest cost	151	238
Pension finance costs	2,436	8,029

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 102 is a £6,373k gain (2017: £7,729k gain).

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

	2018 £000	2017 £000
At 1 September	26,783	14,178
Upon conversion of academy trusts	2,334	14,137
Current service cost	2,670	2,484
Past service cost	-	-
Interest cost	700	553
Employee contributions	519	409
Actuarial (gain)/loss	(2,052)	(5,434)
Benefits paid	(476)	456
At 31 August	30,478	26,783

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

	2018	2017
	£000	£000
At 1 September	19,908	7,603
Upon conversion of academy trusts	1,322	7,812
Expected return on assets	549	315
Actuarial gain/(loss)	650	2,295
Employer contributions	1,397	1,018
Employee contributions	519	409
Benefits paid	(476)	456
At 31 August	23,869	19,908

25. Events After the Balance Sheet Date

On 1st September 2018, the Trust concluded the academy conversions of Beckfoot Nessfield Primary School. The operations, assets and liabilities were transferred to Beckfoot Trust from the local authority for £nil consideration. The school joined the Trust with no cash reserves, land and buildings from the local authority and their share of the deficit in respect of the local government pension scheme.

26. Agency Arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the Trust received £107k and disbursed £64k from the fund. An amount of £231k is included in other creditors relating to undistributed funds that are repayable to ESFA.

27. Conversion of new academies

Beckfoot Phoenix and Beckfoot Priestthorpe converted to academy status under the Academies Act 2010 on 1 September 2017. All the operations and assets and liabilities were transferred to Beckfoot Trust from the Bradford Local Authority 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 gain in the Statement of Financial Activities as Donations – transfer from local authority on conversion.

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
<i>Beckfoot Phoenix</i>				
Tangible fixed assets				
- Leasehold land and buildings	-	-	6,590	6,590
- Other tangible fixed assets	-	-	114	114
Budget surplus on LA funds	31	-	-	31
<i>Beckfoot Priestthorpe</i>				
Tangible fixed assets				
- Freehold land and buildings	-	-	1,762	1,762
- Other tangible fixed assets	-	-	15	15
Budget surplus on LA funds	74	-	-	74
LGPS deficit inherited (2 schools)	-	(1,012)	-	(1,012)
Net assets/(liabilities)	105	(1,012)	8,481	7,574

28. Teaching school trading account

	2018	2017
	£000	£000
Income		
Direct Income	48	65
Fundraising and other activities	62	75
Total Income	<u>110</u>	<u>140</u>
Expenditure		
Direct Costs		
Direct staff costs	54	86
Staff development	3	6
Other direct costs	31	30
Total direct costs	<u>88</u>	<u>122</u>
Other costs		
Support staff costs	2	4
Total other costs	<u>2</u>	<u>4</u>
Total expenditure	<u>90</u>	<u>126</u>
Surplus from all sources	<u>20</u>	<u>14</u>
Teaching school balances at 1 September 17	80	66
Teaching school balances at 31 August 18	<u>100</u>	<u>80</u>