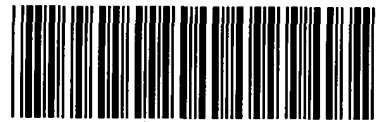


**Bradford Academy Trust**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

for the year ended  
31 August 2014

THURSDAY



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02/04/2015

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COMPANIES HOUSE

Company Registration No. 05508735

# Bradford Academy Trust

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members:

Howard Astin  
Manojkumar Joshi  
John Anderson  
Kenneth Cook

### The Board of Governors and Directors:

Howard Astin (Chair)  
Manojkumar Joshi (Vice Chair)  
Andrew Blake  
Gareth Dawkins (Principal and Accounting Officer)  
Jan de Villiers  
Stephen Herndlhofer  
Stuart Herrington  
Michelle Neale  
Barbara Moores (Staff Governor)  
Bridget Pearson  
Sandra Reynolds (Staff Governor - resigned 31/08/2014)  
Reverend Clive Sedgewick  
Malcolm Sykes  
Rob Taylor (appointed 01/09/2013)

### Company Secretary

Reverend Clive Sedgewick

### Senior Executive Team:

Principal  
Vice Principal  
Vice Principal  
Vice Principal  
Finance Director

Gareth Dawkins  
Bernie Addison  
Tehmina Hashmi  
Linda Marshall  
Andrew Blake

### Principal and Registered Office

Bradford Academy  
Teasdale Street  
Bradford  
BD4 7QJ

### Company Registration Number

05508735 (England and Wales)

### Independent Auditor

Baker Tilly UK Audit LP  
Chartered Accountants  
Two Humber Quays  
Wellington Street West  
Hull  
HU1 2BN

### Bankers

Barclays Bank plc  
10 Market Street  
Bradford  
BD1 1EG

### Solicitors

Gordons Solicitors  
Riverside West  
Whitehall Road  
Leeds  
LS1 4AW

# **Bradford Academy Trust**

## **GOVERNORS REPORT**

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### **INTRODUCTION**

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2013 to 31 August 2014. The annual report serves the purposes of both a governors' report, and a directors' report under company law. In preparing their report, the governors have complied with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) and the Companies Act 2006.

The Trust operates an all-through academy from nursery age to post-16 serving a catchment area in South Bradford. It has a pupil capacity of 1,485 and had a roll of 1,791 at the last census, 2<sup>nd</sup> October, 2014.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The Academy Trust is a teaching and learning institution limited by guarantee and an exempt charity. Incorporated on 14 July 2005, it is governed by the rules contained within its Memorandum and Articles of Association March 2008. Trustees are members nominated by the Secretary of State for Education and West Yorkshire and the Dales Diocesan Board of Finance. The Members devolve the management and development of the Academy to the Governing body and the Senior Executive Team.

The Academy is a company limited by guarantee, an exempt charity and has no share capital.

Due to its status, the organisation is exempt from UK corporation taxation.

Details of the Governors who served throughout the year except as noted are included in the details on the governors annual report page 1.

The Academy's principle operations are carried out at the site and registered offices at Teasdale Street. The Academy opened in September 2007 and has completed seven years of operation.

#### **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.

#### **Governors Indemnities**

There are no qualifying third party indemnity provisions in force at Bradford Academy as defined in the Companies Act 2006 s236.

#### **Method of Recruitment and Appointment or Election of Governors**

Governors are appointed under its constitutional rules contained within its Memorandum and Articles of Association. The appointments are made by the Secretary of State, the Academy Sponsor and the Trustees who devolve the powers to the Senior Executive Team.

The membership of the main governing body is in accordance with the structure contained within its Memorandum and Articles of Association. Governors have a breadth of skills which are beneficial to the various sub-committees that support the governing body. Howard Astin is the Chair of governors.

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

### Policies and Procedures Adopted for the Induction and Training of Governors.

Newly appointed Governors are required to join one of the sub-committees reporting to the main governing body. The induction process involves meeting the Chair of the Governors, the Academy's Senior Leadership team and assignment to a sub-committee. The governing body operating procedures are outlined alongside the structure of the governing body and its committees. Access is also provided to the external governor training and support programme. Within the Academy the governors can access the policies and procedures via the staff handbook or the learning gateway. Where governors have a particular professional skill the Academy seeks to support and utilise the skill within a relevant committee. Governors also attend 'whole-school' events and where appropriate staff training sessions in addition to bespoke governor training. The Academy also organises an annual governor training event in September to maintain continually improve governance.

### Organisational Structure

The Trust consists of a Chair and a board of five elected Members. The membership consists of one Member appointed by the Secretary of State for Education, four Members appointed by the Sponsor and the Chair of Governors. All Members have long experience of being Trustees. The Members are also represented on the governing body of the Academy with responsibility for monitoring the trust's activities. The Trust operates a main governing body whose minimum meeting requirement is once per term. The governing body delegates responsibilities to its Committees. The core Committees are; Finance, Curriculum and Personnel, the Chairs with responsibility to submit recommendations to the main Governing Body for approval, or where empowered, inform the main board of their actions. Where appropriate other representative committees are formed to oversee developments for the Academy. Individual governors also have specific responsibilities to the Academy such as heads of Committees, safeguarding or community relations.

The Senior Executive Team consists of the Principal, Finance Director and three Vice-Principals who are responsible for the communication and implementation of the Academy's strategies.

The Principal, Executive and Senior Leadership team are responsible for the day-to-day running of the organisation, overseeing the teaching staff, administrative and operational support. The structure and operation of the trust follow the guidelines set out in the Academies Handbook issued by the Department for Education.

The Trust headquarters and registered offices are in Bradford. The Academy also accesses a number of external agencies to enable a broader provision of education and learning. The external agencies include vocational provision, social workers, the police service, careers and guidance services, counselling and youth services.

The principal activity of the charitable company during the period was the educational provision of teaching and learning. The principal activity is to raise standards of achievement, the academy motto of 'every learner known, valued and understood,' creating the environment where effective teaching and learning can take place, endeavouring to remove barriers for learning such as deprivation, behaviour or social issues, ultimately raising standards achieved by all learners. Bradford Academy evolved from being a Secondary School into an all through Academy.

### Connected Organisations including Related Party Relationships

Bradford Academy Trust does not transact with any connected organisations which would have a direct influence on operating policies and procedures. The Trust is a member of the Bradford Partnership, an organisational collaboration amongst Bradford Secondary Schools providing peer review to improve standards and performance. The Academy sponsor is West Yorkshire and the Dales Diocesan Board of Finance formerly known as the Bradford Diocesan Board of Finance. The sponsor operates an, at arm's length approach to the Academy allowing the Trust be managed by the Bradford Academy governors and senior leadership team.

# Bradford Academy Trust

## GOVERNORS REPORT (continued)

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### STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

#### RISK MANAGEMENT

The governors have assessed the major risks to which the Academy is exposed. The Academy has a Risk Register which records and summarises the main large-scale, offensive and systematic risks to the Academy with safeguarding being the underlying principle of assessment. Risk assessments of the work environment are carried out including all learners their safeguarding and well-being. Risks are examined, particularly those relating to specific teaching and learning, the provision of facilities and operations, and its finances. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

#### OBJECTIVES AND ACTIVITIES

##### Objects and Aims

The object of the charity is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad curriculum with a strong emphasis on, but in no way limited to Citizenship and Enterprise within which the religious education and religious worship shall be in accordance with the doctrines and practice of the Church of England.

##### Objectives, Strategies and Activities

The Academy's main strategic intent is encapsulated in the statement: "Every learner is known, valued and understood." Delivery of this strategy focuses the Academy on our learners and the mechanisms that are required to create an environment where learners succeed. Continual improvement is at the core of the strategy. Below are examples of areas of focus used to drive improvement:

- Assessment for learning;
- Raising achievement;
- No exclusion policy;
- Attendance strategy;
- Development of best practice through lead-practioners;
- Training and development (for all learners);
- Student voice;
- Development of in-school business ventures to endorse Citizenship and Enterprise;
- Provision of external agencies including; counselling, careers, pastoral care, spiritual support, social working, school nurse, learning mentors and youth workers;
- Development of strategic alliances for the Academy with its feeder schools;
- The establishment of an all-through academy offering places to ensure development from the earliest age;
- The under-pinning of the strategy with sound operations and procedural method and systems.

##### Public Benefit

The Governors are aware that by improving the outcomes for our learners the wider society will benefit from the investment of public funds received in the form of grants. Their aims and objectives are in compliance their duties identified by the Charity Commission on their website at Charities and Public Benefit.

##### Safeguarding

The safety and well-being of all our learners is the foundation for building a successful learning and teaching community. The Academy's policies, procedures and practices place a strong emphasis on creating a safe

# **Bradford Academy Trust**

## **GOVERNORS REPORT (continued)**

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### **OBJECTIVES AND ACTIVITIES (continued)**

#### **Safeguarding (continued)**

environment for learners, for example by maintaining the control register for all persons on site and e-safety for use of IT and communications systems.

#### **Equal Opportunities policy**

The governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully 'known, valued and understood'.

#### **Employees and disabled persons**

Bradford Academy is an Equal Opportunities employer and is mindful of its obligations under the Equalities Act 2010. The Academy works alongside external agencies as necessary to enable support for disabled persons. The academy provides resources for work place assessments and makes reasonable adjustments were able.

During the year the Academy appointed Human resources director to enhance the organisations development of its employees. The Academy renewed its Investors In People award and conducted an employee workplace survey in pursuance of its goal to achieve a Great Place to Work. The findings of the survey have been used to create an action plan.

### **STRATEGIC REPORT**

#### **Achievements and Performance**

Bradford Academy again improved in its primary objective of increased attainment and development of our learners. Academic performance measures improved with learners achieving 47% 5+ A\* - C including Maths and English (2013 – 42%). For other significant performance measures the Academy achieved: 93% 5A\*- G, including Maths and English (94% - 2013) and 99.5% achieved a qualification (99%, 2013). The improved and maintained achievement levels are despite increased numbers of non-English speaking and SEN learners.

The Academy has invested in a Wealth Scheme (Barclays) where an annual return of 5% is expected based on the Academy's risk profile. The unrealised yield in its first year was 5.6% the investment representing a long-term return to assist in the financial stability of the Academy for its learners.

#### **Key Performance Indicators**

In the year ended 31 August 2014 the total operating expenditure of £11.588m (2013: £10.714m) was covered by grant funding and other incoming resources. The excess of income over expenditure (excluding depreciation and funding for the Primary build) was £462,000 (2013: £726,000).

At 31 August 2014 the net book value of tangible fixed assets was £22.885m (2013: £22.179m). The assets were used exclusively for providing education and the associated support services to the learners of the academy.

During the year Bradford Academy has commissioned and developed a £1.6m sports centre with an artificial turf playing area and a fitness suite. The development represents a key asset for not only the Academy learners but also for the community of South Bradford.

The academic improvement is symptomatic of a popular thriving academy as evidenced with an excess of 300 pupils over and above the designated capacity. Attendance of learners is a key factor for development and achievement, the academy investing in an attendance team now regularly achieving over 93.5% in an area of high social deprivation and transient community.

# Bradford Academy Trust

## GOVERNORS REPORT (continued)

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### STRATEGIC REPORT (continued)

#### Key Performance Indicators (continued)

Investment in high calibre staff through rigorous recruitment and generous reward is part of the Academy's strategic intent. Staff retention rates are high, evidence of the Academy's investment in its people.

Other financial performance indicators are covered in the financial review and the notes to the Financial Statements.

#### Going Concern

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

### FINANCIAL REVIEW

The majority of the Academy's income derived from central government funding via the EFA (Education Funding Agency). The Academy also received local authority funding to support Special Education Needs, Designated Special and Early years' provisions. In addition the Academy has raised funds through expertise and use of its facilities.

#### Funds in deficit

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Academy's share of the Scheme's assets has been assessed by the Scheme's Actuary (FR17 valuation) as at 31 August 2014 to be less than its liabilities in the Scheme, and consequently the Academy Balance Sheet shows a net liability of £1,382,000 (2013 £1,448,000).

#### Reserves Policy

The Governors have established the minimum level of reserves (that is those that are freely available in cash form) that the Academy ought to have. The Governors keep free reserves so that at least one month's salary cost is on hand in cash form at any point in time. Cash is monitored on a daily basis. The good level of cash reserve developed has meant the Academy operates with reserves significantly above the minimum required level.

#### Investment Policy

The Academy seeks to maximise the return on all cash for the long-term benefit of the learners and the local community. Surpluses of cash over and above reserves policy levels are invested to provide a return where it is clear the cash levels are sustainable.

### PRINCIPAL RISKS AND UNCERTAINTIES

The principle risks and uncertainties concern future funding streams. As the majority of the Academy's commitment to costs is focussed largely on fixed wages and salaries expenditure, the risk and uncertainty is of a reduction in future rates of grant income.

The loss of key personnel is also a short term risk to the Academy. Investment in people to develop potential successors is a key feature of the Academy's development.

The Governors have assessed the major risks to which the Academy is exposed. The Academy has a Risk Register which records and summarises the main large-scale, offensive and systematic risks to the Academy with safeguarding being the underlying principle of assessment. Risk assessments of the work environment are carried out including all learners their safeguarding and well-being. Risks are examined, particularly those relating to specific teaching and learning, the provision of facilities and operations, and its finances. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the following statement. The Academy's exposure to financial risk is monitored. Cash availability is monitored daily and there are no

# Bradford Academy Trust

## GOVERNORS REPORT (continued)

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### PRINCIPAL RISKS AND UNCERTAINTIES (continued)

material risks arising from debtors or trade creditors. Cash is invested on a staggered rolling programme to ensure access to liquidity within a reasonable timescale if necessary.

The deficit inherited from the Local Government Pension Scheme (LGPS) represents the only area where there is a material value. As this risk has been underwritten by the Secretary of State the governors believe the risk of this scheme is no more material than the Teacher Pension Scheme underwritten by the government but not held on company balance sheets.

As Governors, we acknowledge we have overall responsibility for ensuring that Bradford Academy has an effective and appropriate system of control, financial and otherwise. We are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Academy and enable us to ensure the financial statements comply with the Companies Act. We also acknowledge responsibility for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:-

- The Academy operates efficiently and effectively;
- Its assets are safeguarded against unauthorised use or disposition;
- The proper records are maintained and financial information used within the Academy or for publication is reliable;
- The Academy complies with relevant laws and regulations;
- The Academy financial systems and procedures minimise the risk of fraud.

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- Finance Committee and Responsible Officer review of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks;
- Use of authorisation procedures for expenditure to monitor and control costs.

### PLANS FOR FUTURE PERIODS

The establishment of the Academy Primary school as part of the wider All-Through continues with a further 2-form entry year added in 2011/12. The Academy now has; a Nursery, Reception, Years 1, 2, 3 and year 4 started in September 2014.

The total school population continues to be significantly above the standard number (over 300 pupils) the largest element of the increase being the Post-16 part of the Academy. A resolution to the problem is still being sought.

An all-weather playing facility and sports centre was completed in October 2014 providing a high quality community facility with early indications that it will be a popular provision for the local area.

Building of Bradford Forster Academy has commenced, a Secondary School development by Bradford Council with West Yorkshire and the Dales Diocesan Board of Finance being the beneficiary of the school when complete. Bradford Academy is acting as the significant partner in the procurement, management and deployment of the school which will receive its first pupils in September 2015.



# Bradford Academy Trust

## GOVERNORS REPORT (continued)

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### FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

There are no assets or arrangements for safe custody where Bradford Academy Trust or its governors are acting as custodian trustee.

### AUDITOR

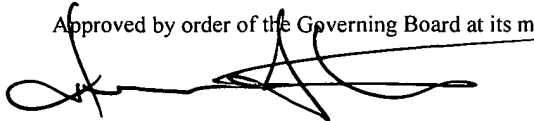
Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the governors are aware:

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

Approved by order of the Governing Board at its meeting on 11 December 2014 and signed on its behalf by:



**Howard Astin**  
Chair

# Bradford Academy Trust

## GOVERNANCE STATEMENT

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As the Governing Body of Bradford Academy we are aware of our responsibility to provide the assurance that the resources of the academy are appropriately managed and controlled. As an established governing body we are able to provide the required assurances.

### SCOPE OF RESPONSIBILITY

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

The Governing Body has delegated the day-to-day responsibility to Gareth Dawkins, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Bradford Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

### GOVERNANCE

The information on governance included here supplements that described in the governors' Report and in the Statement of governors' responsibilities. The full **governing body** has formally met three times during the year. The Chairs of Committee met twice during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
Howard Astin (Chairman)	5	5
Manojkumar Joshi (Vice Chair)	4	5
Andrew Blake	4	5
Gareth Dawkins (Principal and Accounting Officer)	5	5
Jan de Villiers	4	5
Stephen Herndlhofer	4	5
Stuart Herrington	3	3
Michelle Neale	3	3
Barbara Moores (Staff Governor)	3	3
Bridget Pearson	4	5
Sandra Reynolds (Staff Governor, Resigned 31.8.2014)	3	3
Reverend Clive Sedgewick	0	3
Malcolm Sykes	3	3
Rob Taylor	3	3

The changes in Governors have taken place to maintain the relevant number of people responsible to the various governing body committees.

The Members have proposed that Bradford Academy Trust becomes part of the Bradford Diocesan Academy's Trust effectively joining the other schools in the Diocesan Trust to form a multi-Academy trust. Bradford Academy Trust are reviewing the proposals. At the time of writing a formal decision had not been taken.

The **Finance Committee** is a committee of the main governing body. Its purpose is to oversee the propriety and governance of all academy financial matters on behalf of the governing body. The development of the Sports Centre represented the area of greatest financial and operational impact during the year.

## Bradford Academy Trust

### GOVERNANCE STATEMENT (continued)

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Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Manojkumar Joshi (Chair of Finance)	5	5
Howard Astin (Chair of governors)	4	5
Gary Bandy (Responsible Officer)	3	5
Andrew Blake (Finance Director)	5	5
Gareth Dawkins (Principal and accounting officer)	3	5
Malcolm Sykes	3	5
Rob Taylor	4	5

#### 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 Bradford Academy Trust for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

#### CAPACITY TO HANDLE RISK

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

#### 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:

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Gary Bandy as Responsible Officer ('RO'). Gary Bandy is a qualified highly experienced accountant with particular strengths in public finance. The RO's role includes at arms' length advice on financial matters and performing a range of checks on the academy trust's financial systems. The RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. There are no material control issues arising and no remedial action is required.

## Bradford Academy Trust

### GOVERNANCE STATEMENT (continued)

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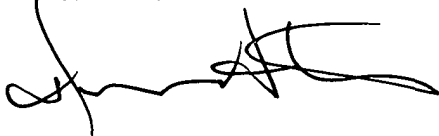
#### REVIEW OF EFFECTIVENESS

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

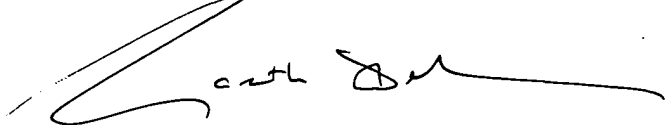
- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance on the internal control framework;

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee with no issues arising however a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 11 December 2014 and signed on its behalf by:



**Howard Astin**  
Chair



**Gareth Dawkins**  
Accounting Officer

## Bradford Academy Trust

### STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

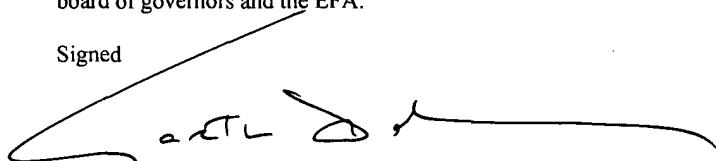
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As accounting officer of Bradford Academy Trust I have considered my responsibility to notify the Academy Trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academy's Financial Handbook.

I confirm that I and the Academy Trust governing body 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 Academy's Financial Handbook.

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

Signed

A handwritten signature in black ink, appearing to read 'Gareth Dawkins', written over a horizontal line.

**Gareth Dawkins**  
Accounting officer

Date: 11 December 2014

## Bradford Academy Trust

### STATEMENT OF GOVERNORS' RESPONSIBILITIES

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The Governors (who act as trustees for charitable activities of Bradford Academy Trust and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

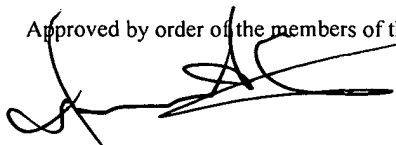
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

The governors 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 EFA/DfE have been applied for the purposes intended.

The governors 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 governing body on 11 December 2014 and signed on its behalf by:



**Howard Astin**  
Chair

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRADFORD ACADEMY TRUST

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We have audited the financial statements of Bradford Academy Trust for the year ended 31 August 2014 on pages 15 to 36. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.

### **Respective responsibilities of governors and auditor**

As explained more fully in the Statement of Governors' Responsibilities set out on page 13, the governors (who act as trustees for the charitable activities of the charitable company, and are also the 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.

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

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 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;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

### **Opinion on other requirement of the Companies Act 2006**

In our opinion the information given in the Governors' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

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

- the charity has not kept adequate accounting records, 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Baker Tilly UK Audit LLP*

RICHARD LEWIS (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Two Humber Quays

Wellington Street West

HULL

HU1 2BN

Date

15/12/2014

# Bradford Academy Trust

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2014 (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2014 £'000	Total 2013 £'000
<b>INCOMING RESOURCES</b>						
Income from generated funds:						
Voluntary income	3	-	-	46	46	26
Voluntary income transfer from local authority		-	-	-	-	4,945
Activities for generating funds	4	327	-	-	327	163
Investment income	5	3	-	-	3	11
Income from charitable activities:						
Academy Trust's educational Operations	6	-	10,403	-	10,403	9,751
Other Income	6	-	476	-	476	672
<b>Total incoming resources</b>		<b>330</b>	<b>10,879</b>	<b>46</b>	<b>11,255</b>	<b>15,568</b>
<b>RESOURCES EXPENDED</b>						
Charitable activities:						
Academy's educational operations	8	73	10,666	795	11,534	10,659
Governance costs	9	-	54	-	54	55
<b>Total resources expended</b>	<b>7</b>	<b>73</b>	<b>10,720</b>	<b>795</b>	<b>11,588</b>	<b>10,714</b>
<b>NET (OUTGOING)/INCOMING RESOURCES BEFORE TRANSFERS</b>		<b>257</b>	<b>159</b>	<b>(749)</b>	<b>(333)</b>	<b>4,854</b>
Gross transfers between funds		-	(1,355)	1,355	-	-
<b>NET (EXPENDITURE)/INCOME FOR THE YEAR</b>		<b>257</b>	<b>(1,196)</b>	<b>606</b>	<b>(333)</b>	<b>4,854</b>
<b>OTHER RECOGNISED GAINS AND LOSSES</b>						
Actuarial gains/on defined benefit schemes	27	-	217	-	217	137
Unrealised gain on investments	13	58	-	-	58	(2)
<b>NET MOVEMENT IN FUNDS</b>		<b>315</b>	<b>(979)</b>	<b>606</b>	<b>(58)</b>	<b>4,989</b>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward at 31 August 2013		839	(326)	22,279	22,792	17,803
<b>TOTAL FUNDS CARRIED FORWARD AT 31 AUGUST 2014</b>	<b>17</b>	<b>1,154</b>	<b>(1,305)</b>	<b>22,885</b>	<b>22,734</b>	<b>22,792</b>

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



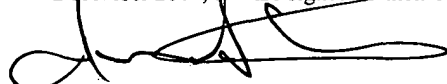
# Bradford Academy Trust

BALANCE SHEET AS AT 31 AUGUST 2014

Company Registration No. 05508735

	Notes	2014 £'000	2014 £'000	2013 £'000	2013 £'000
<b>FIXED ASSETS</b>					
Tangible assets	14		22,885		22,179
Investments	13		1,056		998
			<u>23,941</u>		<u>23,177</u>
<b>CURRENT ASSETS</b>					
Debtors	15	455		346	
Cash at bank and in hand		501		1,543	
		<u>956</u>		<u>1,889</u>	
<b>CREDITORS: Amounts falling due within one year</b>	16	<u>(781)</u>		<u>(826)</u>	
<b>NET CURRENT ASSETS</b>			<u>175</u>		<u>1,063</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>24,116</u>		<u>24,240</u>
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>			<u>24,116</u>		<u>24,240</u>
Pension scheme liability	27		(1,382)		(1,448)
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>			<u>22,734</u>		<u>22,792</u>
<b>FUNDS OF THE ACADEMY TRUST:</b>					
<b>RESTRICTED FUNDS</b>					
Fixed asset fund	17		22,885		22,279
General fund	17		77		1,122
			<u>22,962</u>		<u>23,401</u>
Restricted funds excluding pension reserve			<u>(1,382)</u>		<u>(1,448)</u>
<b>TOTAL RESTRICTED FUNDS</b>			<u>21,580</u>		<u>21,953</u>
<b>UNRESTRICTED FUNDS</b>					
General fund			<u>1,154</u>		<u>839</u>
<b>TOTAL UNRESTRICTED FUNDS</b>	17		<u>1,154</u>		<u>839</u>
<b>TOTAL FUNDS</b>			<u>22,734</u>		<u>22,792</u>

The financial statements on pages 15 to 36 were approved by the governors and authorised for issue on 11 December 2014, and are signed on their behalf by:

  
Howard Astin  
Chair

# Bradford Academy Trust

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	2014 £'000	2013 £'000
NET CASH FLOW FROM OPERATING ACTIVITIES	20	410	375
Returns on investments and servicing of finance	21	3	11
Capital expenditure	22	(1,455)	(1,343)
DECREASE IN CASH IN THE YEAR	23	(1,042)	(957)
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
NET FUNDS AT 31 AUGUST 2013		1,543	2,500
NET FUNDS AT 31 AUGUST 2014		501	1,543

# Bradford Academy Trust

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

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### 1. Statement of Accounting Policies

#### Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice; 'Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2013 to 2014 issued by the EFA and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### Going Concern

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. Having carried out a review of the Academy's cash flow and resources, the Governors are confident that the academy is able to meet its liabilities as they fall due for at least one year from the date of approval of the financial statements.

#### Incoming Resources

All incoming resources are obtained when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants Receivable**

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

General Annual Grant (GAG) is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in restricted funds.

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

Other grants from government agencies and Local Authorities other bodies are recognised in the period in which they are receivable.

- **Sponsorship Income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

- **Donations**

Donations are recognised on a receivable basis 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 goods have been provided or on completion of the service.

- **Donated Services and Gifts in Kind**

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

# Bradford Academy Trust

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014 (continued)

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### 1. Statement of Accounting Policies (continued)

#### Resources Expended

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

- **Costs of Generating Funds**  
These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- **Charitable Activities**  
These are costs incurred on the academy trust's educational operations.
- **Governance costs**  
These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

#### Investments

Quoted investments are included at market value at the balance sheet date. The resulting movements on the unrealised valuation supplies/deficit are included as a movement of funds in the Statements of Financial Activities.

#### Tangible Fixed Assets

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector; they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related assets on a basis consistent with the academy trust's depreciation policy.

Depreciation is provided on the cost of tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight line and reducing balance basis over its expected useful life, as follows:

- |                           |                      |
|---------------------------|----------------------|
| • Freehold buildings      | 2% straight line     |
| • Freehold land           | not depreciated      |
| • Furniture and equipment | 20% reducing balance |
| • ICT equipment           | 33% reducing balance |
| • Motor vehicles          | 20% reducing balance |

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

# Bradford Academy Trust

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

---

### 1. Statement of Accounting Policies (continued)

#### Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

#### 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 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 any such income or gains are applied exclusively to charitable purposes.

#### Pension Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 25, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

#### Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the governors.

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 which are to be applied for restricted fund activity including pensions imposed by the funder/ donor and include grants from the Education Funding Agency.

#### Agency Arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the EFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowances of 5% as a contribution to administration costs is however recognised in the statement of financial activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA.

# Bradford Academy Trust

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014 (continued)

### 2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the Academy Trust was subject to limits at 31 August 2014 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes with any balance being available for premises/capital purposes.

The Academy Trust has not exceeded these limits during the year ended 31 August 2014.

### 3. VOLUNTARY INCOME

	Unrestricted funds £'000	Restricted funds £'000	2014 Total £'000	2013 Total £'000
Capital Grants (DFE/ EFA)	-	46	46	26
Capital donation	-	-	-	4,945
	-	46	46	4,971

### 4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £'000	Restricted funds £'000	2014 Total £'000	2013 Total £'000
Hire of facilities	42	-	42	45
Catering income	175	-	175	-
Other income	110	-	110	118
	327	-	327	163

### 5. INVESTMENT INCOME

	Unrestricted funds £'000	Restricted funds £'000	2014 Total £'000	2013 Total £'000
Short term deposits	3	-	3	11
	3	-	3	11

# Bradford Academy Trust

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014 (continued)

6.

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	Total 2014 £'000	Total 2013 £'000
DfE/EFA REVENUE GRANTS				
General annual grant (GAG) (note 2)	-	9,743	9,743	9,297
Start-up grants	-	30	30	49
Other DfE/EFA grants	-	630	630	405
	-	10,403	10,403	9,751
OTHER GOVERNMENT GRANTS				
Local Authority grants	-	476	476	420
Other income	-	-	-	252
	-	476	476	672
TOTAL	-	10,879	10,879	10,423

7.

RESOURCES EXPENDED

	Staff costs £'000	Non pay expenditure Premises £'000	Other costs £'000	Total 2014 £'000	Total 2013 £'000
Academy's educational operations:					
Direct costs	4,887	465	727	6,079	5,901
Allocated support costs	3,324	320	1,811	5,455	4,758
	8,211	785	2,538	11,534	10,659
Governance costs including allocated support costs	35	-	19	54	55
	8,246	785	2,557	11,588	10,714
Net incoming resources for the year				2014 £'000	2013 £'000
Operating leases - other				18	22
Fees payable to Baker Tilly UK Audit LLP and its associates for:					
- audit				14	17
- other services				1	3

### Outside planned ranged of activities

Included within resources expended is the following transaction  
Staff Severance Payment

Included in staff costs is a non-contractual severance payment totalling £23,999 (2013: £30,000).

This non statutory/non contractual payment exceeded £5,000 and related to one single individual.

# Bradford Academy Trust

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014 (continued)

### 8. CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	<b>Total 2014 £'000</b>	<b>Total 2013 £'000</b>
<b>DIRECT COSTS</b>		
Teaching and educational support staff costs	4,887	4,725
Depreciation	465	500
Learning aids	487	482
Examination fees	165	146
Staff development	80	42
Educational consultancy	(5)	6
	<b>6,079</b>	<b>5,901</b>
<b>ALLOCATED SUPPORT COSTS</b>		
Support staff costs	3,324	2,984
Defined benefit pension service cost	364	140
Pension finance cost	(6)	10
Depreciation including loss on disposal	330	317
Administrative costs	270	206
Travel, entertainment and catering	223	205
IT and communication	165	132
Premises costs	784	763
Bank interest and charges	1	1
	<b>5,455</b>	<b>4,758</b>
	<b>11,534</b>	<b>10,659</b>

### 9. GOVERNANCE COSTS

	<b>Total 2014 £'000</b>	<b>Total 2013 £'000</b>
Allocated support costs	35	34
Audit of financial statements	15	17
Legal and professional fees	-	1
Governors' reimbursed expenses	4	3
	<b>54</b>	<b>55</b>



# Bradford Academy Trust

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014 (continued)

### 10. STAFF COSTS

	2014 £'000	2013 £'000
a. Staff costs during the period were:		
Wages and salaries	6,584	6,499
Social security costs	521	428
Pension costs	817	741
	<hr/>	<hr/>
	7,922	7,668
Supply teacher costs	324	75
	<hr/>	<hr/>
	8,246	7,743
	<hr/>	<hr/>

### b. Staff numbers

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

	2014 No.	2013 No.
Charitable Activities		
Teachers	94	90
Administration and support	163	141
Management	15	10
	<hr/>	<hr/>
	272	241
	<hr/>	<hr/>

### c. Higher Paid staff

The number of employees whose emoluments fell within the following bands was:

	2014 No.	2013 No.
£60,001 - £70,000	5	2
£70,001 - £80,000	2	2
£80,001 - £90,000	0	2
£90,001 - £100,000	2	0
£140,001 - £150,000	0	1
£150,001 - £160,000	1	0
	<hr/>	<hr/>
	10	7
	<hr/>	<hr/>

Eight of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £89,737 (2013: £52,700). The other employees participated in the Local Government Pension Scheme, pension contributions amounted of £17,369 (2013: £17,800).

### Staff severance

Including staff costs is a contractual severance payment totalling £23,999 (2013 £30,000). This was a single amount which exceeded £5,000.

# Bradford Academy Trust

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014 (continued)

### 11. RELATED PARTY TRANSACTIONS – GOVERNORS' REMUNERATION AND EXPENSES

The Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as governors. Other governors did not receive any payments from the Academy Trust in respect of their role as governors. The value of the Governors' remuneration was as follows:

	2014 £'000	2013 £'000
G. Dawkins (principal and governor):	154	144
A. Blake (staff governor)	97	87
R. Taylor (staff governor)	46	43
B. Moores (staff governor)	42	41
S. Reynolds (staff governor)	30	30

During the year ended 31 August 2014, travel and subsistence expenses totalling £2,602 (2013: £Nil) were reimbursed to 2 governors (2013: Nil governors).

Other related party transactions involving the governors are set out in note 28.

### 12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £3,604 (2013: £3,135).

The cost of this insurance is included in the total insurance cost.

### 13. INVESTMENTS

	UK quoted investments £'000
Valuation at 31 August 2013	998
Unrealised gain	58
Valuation at 31 August 2014	1,056

# Bradford Academy Trust

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014 (continued)

### 14. TANGIBLE FIXED ASSETS

	Freehold land & buildings £'000	Vehicles £'000	Furniture & equipment £'000	Computer equipment & software £'000	Total £'000
<b>Cost:</b>					
1 September 2013	23,381	68	1,380	2,397	27,226
Additions	1,339	-	60	102	1,501
Disposals	-	(20)	-	-	(20)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31 August 2014	24,720	48	1,440	2,499	28,707
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
1 September 2013	2,307	50	761	1,929	5,047
Charged in the year	458	3	136	190	787
Disposals	-	(12)	-	-	(12)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31 August 2014	2,765	41	897	2,119	5,822
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>					
31 August 2014	21,955	7	543	380	22,885
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31 August 2013	21,074	18	619	468	22,179
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

In the year ended 31 August 2013 the Academy Trust have included within additions the costs of Primary School. As of the year 31 August 2014 end the legal title had not been transferred by the Local Authority. The asset has been recognised on the basis that The Academy Trust has all of the risks and rewards.

### 15. DEBTORS

	2014 £'000	2013 £'000
Trade debtors	35	19
VAT Recoverable	257	125
Other debtors	1	-
Amounts owed by funding body	90	91
Prepayments and accrued income	72	111
	<hr/>	<hr/>
	455	346
	<hr/>	<hr/>

# Bradford Academy Trust

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014 (continued)

### 16 CREDITORS: Amounts falling due within one year

	2014 £'000	2013 £'000
Trade creditors	391	369
Taxation and social security	153	142
Other Creditors	3	6
Amounts owed to funding body	32	6
Accruals and deferred income	202	303
	<u>781</u>	<u>826</u>

Deferred income	2014 £'000	2013 £'000
Deferred income at 1 September 2013	128	300
Resources deferred in the year	121	128
Amounts released from previous years	(128)	(300)
	<u>121</u>	<u>128</u>

At the balance sheet date the Academy Trust was holding funds received for the start-up period of the Primary School.

# Bradford Academy Trust

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014 (continued)

### 17 FUNDS

	Balance at 1 September 2013 £'000	Incoming resources £'000	Expenditure £'000	Gains, losses and Transfers £'000	Balance at 31 August 2014 £'000
<b>RESTRICTED GENERAL FUNDS</b>					
General Annual Grant (GAG)	(396)	9,743	(7,915)	(1,355)	77
Other DfE and Government Grants	1,518	1,136	(2,654)	-	-
Pension reserve	(1,448)	-	(151)	217	(1,382)
	<u>(326)</u>	<u>10,879</u>	<u>(10,720)</u>	<u>(1,138)</u>	<u>(1,305)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>					
DfE capital grants	16,018	46	(795)	-	15,269
Capital expenditure from GAG	1,316	-	-	1,355	2,671
Public sector capital sponsorship	4,945	-	-	-	4,945
	<u>22,279</u>	<u>46</u>	<u>(795)</u>	<u>1,355</u>	<u>22,885</u>
<b>TOTAL RESTRICTED FUNDS</b>	<u>21,953</u>	<u>10,925</u>	<u>(11,515)</u>	<u>217</u>	<u>21,580</u>
<b>UNRESTRICTED FUNDS</b>					
Unrestricted funds	839	330	(73)	58	1,154
<b>TOTAL UNRESTRICTED FUNDS</b>	<u>839</u>	<u>330</u>	<u>(73)</u>	<u>58</u>	<u>1,154</u>
<b>TOTAL FUNDS</b>	<u>22,792</u>	<u>11,255</u>	<u>(11,588)</u>	<u>275</u>	<u>22,734</u>

The specific purposes 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. Under the funding agreement with the Secretary of State the Academy Trust was subject to a limit on the amount of GAG Funding that could be carried forward as of 31 August 2014. Note 2 discloses whether the limit was exceeded.

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

The restricted pension fund relates to the deficit on the local Government Pension Scheme.

# Bradford Academy Trust

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014 (continued)

### 18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2014 are represented by:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	22,885	22,885
Investments	-	1,056	-	1,056
Current assets	1,154	(198)	-	956
Current liabilities	-	(781)	-	(781)
Pension scheme liability	-	(1,382)	-	(1,382)
<b>TOTAL NET ASSETS AT 31 AUGUST 2014</b>	<b>1,154</b>	<b>(1,305)</b>	<b>22,885</b>	<b>22,734</b>

### 19 FINANCIAL COMMITMENTS

#### Operating Leases

At 31 August 2014 the Academy had annual commitments under non-cancellable operating leases as follows:

	2014 £'000	2013 £'000
Other		
Expiring within one and two years inclusive	14	-
Expiring within two and five years inclusive	4	24
	<b>18</b>	<b>24</b>

### 20 RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014 £'000	2013 £'000
Net income	(333)	4,854
Depreciation (note 14)	787	817
Loss on disposal of fixed assets	8	-
Capital grants from DfE and other capital income	(46)	(4,971)
Interest receivable (note 5)	(3)	(11)
FRS 17 pension cost less contributions payable (note 27)	157	140
FRS 17 pension finance (income)/loss (note 26)	(6)	10
(Increase)/decrease in debtors	(109)	3
Decrease in creditors	(45)	(467)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>410</b>	<b>375</b>

# Bradford Academy Trust

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014 (continued)

### 21 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2014 £'000	2013 £'000
Interest received	3	11
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>	<b>3</b>	<b>11</b>

### 22 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2014 £'000	2013 £'000
Purchase of tangible fixed assets	(1,501)	(369)
Capital grants from DfE/EFA	46	26
Purchase of investment	-	(1,000)
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	<b>(1,455)</b>	<b>(1,343)</b>

### 23 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 September 2013 £'000	Cash flows £'000	At 31 August 2014 £'000
Cash in hand and at bank	1,543	(1,042)	501

### 24 GUARANTEES, LETTERS OF COMFORT AND INDEMNITIES

During the period the Academy agreed to underwrite a change to the specification of the EFA funded secondary school development in BD4 being built by Bradford Council and transferred to the West Yorkshire and the Dales Diocesan Board of Finance multi-academy trust upon completion. The sum of £191,000 is required to widen the corridor from the template design of 1.8m to 2.4m. The Academy Trust has agreed to underwrite these costs unless the Diocese of the EFA are able to bear the cost.

### 25 CONTINGENT LIABILITIES

At the time of writing there are no contingent liabilities.

### 26 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 he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

# Bradford Academy Trust

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014 (continued)

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### 27 PENSION AND SIMILAR OBLIGATIONS

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

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

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

#### **Teachers' Pension Scheme**

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010. Retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pensions Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001 to 31 March 2011, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

#### Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. 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. Many of these were being discussed in the context of the design for a reformed TPS, and as set out in the Proposed Final Agreement, scheme valuations had been suspended since the last valuation in 2004.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

Valuations of the TPS are now required under the Public Service Pensions Act 2013 every 4 years and are required to be carried out in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury.

An actuarial valuation of the TPS in accordance with these Directions was published in June 2014 assessing the TPS as at 31 March 2012. The GA's report revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million. The value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million. 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%.



# Bradford Academy Trust

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014 (continued)

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### 27 PENSION AND SIMILAR OBLIGATIONS (continued)

#### Teachers' Pension Scheme (continued)

##### Employer and employee contribution rates

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

From 1 April 2013 to 31 March 2014, the employee contribution rate ranged between 6.4% and 11.2%, depending on a member's Full Time Equivalent salary and for 2014/15 will range between 6.4% and 12.4%. Thereafter members will be expected to pay an average contribution rate of 9.6%.

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015 and an employee cost cap of 10.9%, both to be set in regulations. The employer contribution rate will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

There will be further reforms and changes to the TPS with a new 2015 scheme.

The pension costs paid to TPS in the year amounted to £453,000 (2013: £422,000).

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy Trust has taken the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy Trust has set out above the information available on the scheme and the implications for the Academy Trust in terms of the anticipated rates.

# Bradford Academy Trust

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014 (continued)

### 27. PENSION AND SIMILAR OBLIGATIONS (continued)

#### Local Government Pension Scheme

The Academy is one of several employing bodies included within 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 contribution made for the year ended 31 August 2014 £319,989 of which employers totalled £214,285 and employees £105,704. The agreed contribution rate for future years are 12.6% for employers and a variable rate between 5.5% and 12.5% for employees.

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

#### Principal actuarial assumptions

	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	3.6%	4.70%
Rate of increase for pensions in payment / inflation	2.1%	2.80%
Discount rate for scheme liabilities	3.7%	4.50%
Inflation assumption (CPI)	2.1%	3.70%
Commutation of pensions to lump sums	50.00%	50.00%

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

	At 31 August 2014	At 31 August 2013
Retiring today:		
Males	22.5	21.2
Females	25.4	24.0
Retiring in 20 years:		
Males	24.7	22.4
Females	27.7	25.1

# Bradford Academy Trust

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014 (continued)

### 27. PENSION AND SIMILAR OBLIGATIONS (continued)

#### Local Government Pension Scheme (continued)

The Academy Trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £'000	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £'000
Equities	7.5%	2,891	7.90	2,335
Property	6.8%	127	7.40	96
Government bonds	2.9%	396	3.40	365
Corporate bonds	3.3%	200	4.10	182
Cash/liquidity	1.1%	150	0.90	122
Other	7.5%	85	7.90	99
<b>TOTAL MARKET VALUE OF ASSETS</b>	<b>6.5%</b>	<b>3,849</b>	<b>6.90</b>	<b>3,199</b>
Present value of scheme liabilities				
- Funded		(5,231)		(4,647)
<b>DEFICIT IN THE SCHEME</b>		<b>(1,382)</b>		<b>(1,448)</b>

Bradford Academy employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset over the actual asset allocation for the Fund at 31 August 2014.

The actual return on scheme assets was £359,000 (2013: £362,000).

#### Amounts recognised in the statement of financial activities

	2014 £'000	2013 £'000
Current service cost (net of employee contributions)	364	319
Total operating charge	<u>364</u>	<u>319</u>

#### Analysis of pension finance costs

Expected return on pension scheme assets	(225)	(167)
Interest on pension liabilities	219	177
Pension finance costs	<u>(6)</u>	<u>10</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £663,000 loss (2013: £880,000 loss)

# Bradford Academy Trust

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014 (continued)

### 27. PENSION AND SIMILAR OBLIGATIONS (continued)

#### Local Government Pension Scheme (continued)

#### Movement in Pension deficit:

	2014 £'000	2013 £'000
At 1 September	(1,448)	(1,435)
Current service cost	(364)	(319)
Employer contributions	207	179
Net Interest	6	(10)
Actuarial gain	217	137
<b>Movement in Deficit</b>	<b>(1,382)</b>	<b>(1,448)</b>

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

	2014 £'000	2013 £'000
At 1 September 2013	4,647	4,008
Current service cost	364	319
Interest cost	219	177
Employee contributions	106	83
Actuarial (gain)/loss	(83)	58
Benefits paid	(22)	2
<b>At 31 August 2014</b>	<b>5,231</b>	<b>4,647</b>

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

	2014 £'000	2013 £'000
At 1 September 2013	3,199	2,573
Expected return on assets	225	167
Actuarial gain	134	195
Employer contributions	207	179
Employee contributions	106	83
Benefits paid	(22)	2
<b>At 31 August 2014</b>	<b>3,849</b>	<b>3,199</b>

# Bradford Academy Trust

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014 (continued)

### 27. PENSION AND SIMILAR OBLIGATIONS (continued)

The estimated value of employer contributions for the year ended 31 August 2015 is £225,000.

The five-year history of experience adjustments is as follows:

	2014 £'000	2013 £'000	2011 £'000	2010 £'000	2009 £'000
Present value of defined benefit obligations	(5,231)	(4,647)	(4,008)	(3,101)	(3,107)
Fair value of share of scheme assets	3,849	3,199	2,573	2,157	1,949
	<u>(1,382)</u>	<u>(1,448)</u>	<u>(1,435)</u>	<u>(944)</u>	<u>(1,158)</u>
Deficit in the scheme					
Experience adjustments on share of scheme assets Amount £'000*	134	195	(33)	(155)	42
Experience adjustments on scheme liabilities: Amount £'000*	(96)	-	150	150	-

### 28. RELATED PARTIES

Owing to the nature of the Academy Trust's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

There were no related party transactions.

### 29. AGENCY ARRANGEMENTS

The Academy Trust administers the distribution of the new discretionary support for leavers, 16-19 Bursary funds. In the year it received £73k (2013: £22k) and disbursed £47k (2013: £59k) with therefore an amount of £32k (2013: £6k) repayable by the Academy Trust at 31 August 2014 included in creditors. The funds are administered wholly, solely and exclusively for the 6<sup>th</sup> formers.