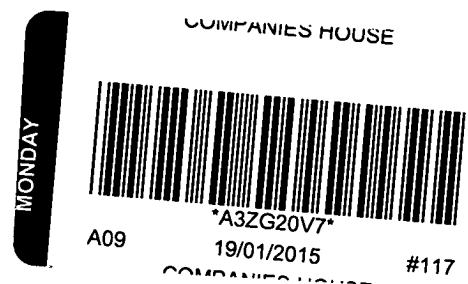


Bluecoat Academies Trust
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

for the year ended
31 August 2014



Bluecoat Academies Trust

REFERENCE AND ADMINISTRATIVE DETAILS

Members	The Diocese of Southwell and Nottingham Educational Trust J Hutchinson B Chiplin (resigned 12 May 2014) R Eade (reappointed 12 May 2014) I Abbott J Hart (appointed 12 th May 2014)
Trustees/Directors	B Chiplin (Chair), (Resigned 20 February 2014) I C Abbott (Chair), (Appointed Chair 7 May 2014: Chair of Audit Committee) N C Blane B D Spencer (Resigned 14 May 2014) C Colbeck (Resigned 24 February 2014) J H Curran (Resigned 14 May 2014) H Evans (Resigned 14 May 2014) H N Gardner (Resigned 31 March 2014) S E Hampton (Principal and Accounting Officer) J L Hempstead (Resigned 14 May 2014) J G Hutchinson (Chair of Bluecoat Academy Local Governing Body) M Walshe (Resigned 31 March 2014) L K Watson (Resigned 1 September 2013) P S Bruce (Resigned 14 May 2014) C Rao (Resigned 14 May 2014) J Abbot (Resigned 14 May 2014) C Archer (Chair of Bluecoat Beechdale Academy Local Governing Body), (Appointed 14 May 2014) Z Zia, (Appointed 14 May 2014) M Lall (Appointed 14 May 2014) P Skyes (Appointed 14 May 2014)
Company Secretary	M Lysenko
Senior Leadership Team:	
Principal	S Hampton
Head of School: Bluecoat Beechdale Academy	D Hobbs (Appointed 1 April 2014)
Head of School: Bluecoat Academy, Aspley Lane Campus	A Seymour (Appointed 1 September 2014)
Head of School: Bluecoat Academy, Wollaton Park Campus	K Valentine (Appointed 1 January 2014)
Vice Principal, Quality of Teaching	D Taylor (Appointed 2 June 2014)
Vice Principal, Behaviour and Safety	C McCarney (Member of Audit Committee) (Appointed 1 September 2014)
Vice Principal, Achievement & Progress	C Elder (Member of Audit Committee), (Appointed 1 September 2014)
Vice Principal, Business and Finance	M Lysenko

Bluecoat Academies Trust

REFERENCE AND ADMINISTRATIVE DETAILS

Principal and Registered Office

Aspley Lane
Aspley
Nottingham
Nottinghamshire
NG8 5GY

Company Registration Number

07875164 (England and Wales)

Independent Auditor

Baker Tilly UK Audit LLP
St Philips Point
Temple Row
Birmingham
B2 5AF

Bankers

Lloyds Bank Plc

Solicitors

Browne Jacobson LLP
44 Castle Gate
Nottingham
NG1 7BJ

Bluecoat Academies Trust

TRUSTEES' REPORT

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2013 to 31 August 2014. The annual report serves the purpose of both a trustees' report, and a directors' report under company law. The Trust operates two academies: serving a catchment in Nottingham:

- Bluecoat Academies Trust for students aged 11 – 19, student capacity 2200, on roll 2059.
- Bluecoat Beechdale Academy for students aged 11 – 16, student capacity 900, on roll 487.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Bluecoat Academies Trust is a company limited by guarantee and an exempt charity. Bluecoat Academies Trust's memorandum and articles of association are the primary governing documents of the Trust. The trustees of Bluecoat Academies Trust are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year except as noted 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, an amount not exceeding £10 for the debts and liabilities contracted before they ceased to be a member.

The current members of the charitable company are detailed in the Reference and Administrative Details on page 1 and served throughout the year except as noted on page 1.

Method of recruitment and appointment or election of Trustees

In line with the Articles of Association, Members of the Trust appoint a minimum of 5 Trustees so that at all times the total number of Trustees appointed by the members represents at least 50% of the total number of Trustees. In addition the Trustees may appoint up to 3 Trustees following consultation with the Diocesan Board of Education.

Trustees are appointed for a period of four years. At the end of a four year term, retiring Trustees are eligible for re-election.

The Trustees have set up procedures that will enable regular reviews of the mix of skills that should be available to the board. New Trustees are then sought with these skills as replacements when existing Trustees stand down. It is anticipated that most new Trustees will be drawn from the local community or others who have shown an interest in the future well-being of the Trust, the Academies within the Trust and the students. Recruitment will be through a combination of approaches to individuals with known skills and by wider communications to those within Nottinghamshire.

Policies and procedures adopted for the induction and training of Trustees

Individual Trustees attend training courses and conferences organised by appropriate bodies in order to ensure their knowledge and understanding is up to date. A series of briefings for the Board and the Senior Leadership Team of Bluecoat Academies Trust as a whole is being carried out based on areas of potential interest and/or concern.

Bluecoat Academies Trust

TRUSTEES' REPORT (Continued)

Organisational structure

The Trustees have responsibility for setting and monitoring the overall strategic direction of the Charitable Company, approving decisions reserved to Trustees and appointing key members of staff.

The Trustees' Board holds at least four meetings a year with the ability to hold additional meetings if required to consider specific agenda items. Additionally, ad hoc groups of Trustees and Senior Leaders are established to consider specific issues and make recommendations to the Board. All decisions reserved to the Trustees are taken by the Board as a whole. Schemes of delegation are in place devolving some powers and responsibilities to the Local Governing Bodies of each Academy. The schemes of delegation vary for each Academy's Local Governing Body and are renewed by the Trust annually.

The Principal is the Accounting Officer and works closely with both the other Trustees, the local governing bodies and the senior staff of Bluecoat Academies Trust.

The day-to-day management of Bluecoat Academies Trust rests with the Principal who has overall responsibility for the Trust. The Principal is responsible for establishing a Senior Leadership Team, including the Heads of School and the Vice Principals, the appointment, discipline and dismissal of the latter will be referred to the full Board.

The Principal has delegated authority to appoint, discipline and dismiss staff with the exception of the Heads of School and the Vice Principals for whom the full Board holds this authority. Financial authority is delegated in line with the Scheme of Delegation and the Finance Policy that is approved by the full Board on an annual basis. If financial or other business decisions are required between meetings then electronic authority may be sought from the members of the Board. The full Board consider and approve the Trust Improvement Plan annually. These are monitored throughout the year, in line with an agreed timetable, by the two Local Governing Bodies.

In the exercise of its delegated powers and functions, the governors of Bluecoat Academy Local Governing Body and those of Bluecoat Beechdale Academy Local Governing Body shall ensure that the Academy business is conducted in accordance with the objects of the Trust

1. The Committee will have delegated powers regarding student discipline and curriculum development within the policies approved by the full Board.
 - a) The full Board review the membership and Terms of Reference for each committee annually. The Chairs of each committee are appointed by the full Board for a three year period.
 - b) Promptly implement and comply with any policies or procedures communicated to the Local Governing Body by the Trustees from time to time;
 - c) Review its own policies and practices on a regular basis, in view of any advice or recommendations made by the Trustees;
 - d) Work closely with the Trustees and act with integrity, objectivity and honestly in the best interest of the Trust and the Academy;
 - e) Be open about decisions and be prepared to justify those decisions;
 - f) Keep confidential all information of a confidential nature obtained by them relating to the Academy and the Trust; and,
 - g) Adopt financial prudence in managing the financial affairs of the Trust in so far as these relate to the Academy and are delegated to them;
 - h) Ensure that the Academy business is conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship.

Bluecoat Academies Trust

TRUSTEES' REPORT (Continued)

2. Each governor shall be required to take part in regular self-review and is accountable for meeting his own training and development needs. It is a governor's responsibility to consider if, and raise any concerns where, he feels that appropriate training and development is not being provided.
3. Governors shall be expected to report to the Trust against KPIs which have been set for the Academy and provide such data and information regarding the business of the Academy and the students attending the Academy as the Directors may require from time to time.

The Local Governing Body of Bluecoat Academy is comprised as follows:

- The Principal for the Trust and for Bluecoat Academy.
- At least 10 governors appointed by the members of the Trust;
 - 6 governors appointed by the Diocese of Southwell and Nottingham of whom one may be nominated by PCC St Margaret's, Aspley and one may be nominated by PCC St Marys Wollaton.
 - 3 governors appointed by the Bluecoat Foundation Trust.
 - 4 staff governors.
 - 4 parent governors.

The local governing body of Bluecoat Beechdale Academy is comprised as follows:

- Head of School of Bluecoat Beechdale Academy
- 1 staff governor
- 2 parent governor
- Up to 3 community governors appointed by the Trustees.

For the Academic Year 2013/14 the membership of each Local Governing Body is:

Bluecoat Academy Local Governing Body

Sian Hampton	Ex Officio
Peter Bruce	Staff Governor
Chris Colbeck	(resigned 24 February 2014)
Henry Curran	(appointed 14 May 2014)
Hilary Evans	
Hugh Gardner	Staff Governor
Jenny Hempstead	
Jon Hutchinson	Chair
Cherry Pearce	Staff Governor
	(appointed 23 October 2014)
Cathy Ross-Waddell	(appointed 23 October 2014)
Michelle Walshe	Staff Governor
Lyn Watson	(resigned 1 September 2013)
Ben Waymark	(appointed 14 May 2014)
Brian Chiplin	(resigned 20 February 2014)
Jeff Abbott	
Chirag Rao	(resigned 14 May 2014)

Bluecoat Beechdale Academy Local Governing Body

Derek Hobbs	Ex Officio
Chris Archer	Chair (Appointed 25 September 2014)
Edith Pagliacci	(Appointed 1 April 2014)
David Stewart	(Appointed 1 April 2014)
Lyn Watson	(Appointed 1 April 2014)

Bluecoat Academies Trust

TRUSTEES' REPORT (Continued)

Risk management

The Trustees have assessed the major risks to which the Trust is exposed. The Trustees are satisfied that systems and procedures are in place to mitigate the exposure to major risks. Systems and procedures have been implemented covering both operational (e.g. in relation to teaching, health and safety, trips, vetting of new staff, supervision of Trust grounds) and financial risks (comprehensive system of internal controls explained in more detail in the Governance Statement). Where significant financial risk still remains Trustees have ensured they have adequate insurance cover.

The Trust has undertaken a full review of the main areas of risks which it faces. This includes all health and safety and child protection policies and procedures. In addition a review of all financial risks is undertaken on a regular basis.

The Trust has a formal risk management process to assess business risks and to implement risk management strategies. The process involves identifying the types of risk the Trust faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. A risk register is maintained and reviewed on a regular basis.

Connected organisations, including related party relationships

Bluecoat Academies Trust works in close partnership with the Diocese of Southwell and Nottingham and the Nottingham Bluecoat School Foundation Trust. The former are the legal freehold owners of the land that Bluecoat Academy is situated upon and the latter hold this land as custodian trustees.

Mr C Archer, a Trustee of Bluecoat Academies Trust also provides a consulting service to the Nottingham Heads Partnership, the operation of which falls within the business of the Trust.

There are no related parties which either control or significantly influence the decisions and operations of Bluecoat Academies Trust.

Bluecoat Academy has established a School Centred Initial Teaching Centre, the Bluecoat SCITT Alliance Nottingham, which works in partnership with local secondary and primary schools and academies.

OBJECTIVES AND ACTIVITIES

Objects and aims

The charitable objectives for which the charitable company was established are set down in the governing document as follows:

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 Academies which shall offer a broad and balanced curriculum and which shall include:

- Academies other than those designated Church of England, whether with or without a designated religious character and Church of England academies designated as such which shall be conducted in accordance with the principles, practices and both generally and in particularly in relation to arrange for religious education and daily acts of worship, and in having regard to the advice and following any directives issued by the Diocesan Board of Education.

Bluecoat Academies Trust

TRUSTEES' REPORT (Continued)

Objectives, strategies and activities

For the year under review, Bluecoat Academies Trust met its core objectives as outlined and explained in the Review of Activities section below.

Public benefit

The Trustees have taken The Charity Commission's specific guidance on public benefit (contained within the guidance document "The Advancement of Education for the Public Benefit") into consideration in preparing their Statement on Regularity, Propriety and Compliance contained within this Annual Report.

In accordance with its charitable objectives, the Charitable Company strives to advance the education of the students attending the Academies within the Trust. The Charitable Company's primary beneficiaries are therefore the students, and benefits to students are provided through continuing to maintain a high standard of education throughout the Academies within the Trust.

In order to determine whether or not the charitable company has fulfilled its charitable objectives for public benefit, the Trustees gather evidence of the success of each Academy within Bluecoat Academies Trust activities.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

2013-14 has seen turbulence in Bluecoat's results which has been mirrored nationally where results dropped by 7%. The GCSE results at Bluecoat Academy were 66% 5 A*-C. At Bluecoat Beechdale these were 15%. In the Sixth Form at Bluecoat Academy at A2 students achieved 100% pass rate with the percentage of students achieving A and B grades increasing from 49% to 53% bucking the national trend which saw a slight fall in the A and B grades. Five members of our Senior Leadership Team are now SLEs (specialist leader in education). Bluecoat has become a hub for Google, Microsoft and Frog. We have been formally accredited as a School Centred Initial Teacher Training facility for the area. In April 2014 Bluecoat Academies Trust became the sponsor of a local failing school. In October 2014 the MAT received formal approval from the Department of Education to open a primary phase to create at Bluecoat Academy an all through Academy from 3-19 years of age.

Pupil Achievement: Bluecoat Academy

- 66% students achieved 5+ A*-C
- 58% students achieved 5 A*-C including English & Mathematics,
- English Language obtained 62% A*-C
- Mathematics achieved 76% A*-C,
Pupil Premium Gap was 22% (in 2013 it was 27%)

Pupil Achievement: Bluecoat Beechdale Academy

15% students achieved 5+ A*-C

12% students achieved 5 A*-C including English & Mathematics,

English Language obtained 41.2% A*-C

Mathematics achieved 32.4% A*-C,

Pupil Premium Gap was 14% (in 2013 it was 23%)

- The changes implemented in the curriculum this year have allowed most teaching staff to use Thursday afternoons to receive high quality training as well as to provide time to work on schemes of work and lesson plans. There have also been opportunities for genuine peer led training. This year we have started a wide range of working parties in order to develop some key approaches to

Bluecoat Academies Trust

TRUSTEES' REPORT (Continued)

teaching and learning across the Trust. This staff training has been shared across Bluecoat and Beechdale with many staff receiving coaching at Beechdale to support their continuous professional training. The CPD package has now been refined to allow for staff to access training for their level of leadership and experience. In addition we have added the expectation that staff will seek best practice from other schools and academies

- In 2013-14 the Academy hit its target of 90% of lessons to be judged good or outstanding. There is a rigorous self-evaluation schedule in place which both supports and challenges staff. There is a team of over 100 staff being coached and coaching. Each coach works with up to three staff to help support them to improve their practice. This work is non-judgemental and not related to any formal performance management processes. We believe this coaching is having a direct impact on improving the classroom experiences of students on a daily basis. We have invested in a new staff training package called BlueSky to help us assess our performance and identify areas where we can function more effectively and target intervention.
- Behaviour management has remained a priority this year. Our full time year leaders are able to deal with issues before they become too challenging and as a result we have seen our permanent exclusion drop to zero and a continued drop in our exclusion rates. This has happened alongside a renewed emphasis on rewards and a culture of celebrating student achievements. The new students-led rewards structure where students can 'cash in' their rewards for prizes ranging from free Prom tickets to iTunes vouchers.
- Trustees approved investment in our Literacy strategy in 2011-12. Two Literacy Co-ordinators have been appointed and the fantastic work they began this last year has shown an improvement in reading ages and this work continues to develop. Reading ages are now routinely tested for and the Accelerated Reader programme (a programme for improving students' reading) has proved extremely successful.
- The student numbers and achievements in Post 16 are now reaching outstanding levels. 450 students have been admitted in September 2014. A building programme to enhance Sixth Form facilities begins in November 2014 allowing students to have a fully functioning lecture theatre, more classroom, study and leisure spaces. Students achieved better A level results than ever before. The Head of Post 16 has been recognised as a SLE (specialist leader in education).
- Bluecoat Academy has increased its PAN (pupil admission number) to 330. This will increase the student numbers by 150 in 5 years, increasing our funding but also allowing us to provide a Bluecoat education for more students. Each year we are oversubscribed by almost 3 applicants to every student who successfully gains a place at the Academy. At Bluecoat Beechdale Academy admission numbers into Year 7 in September 2014 saw growth over previous years with 125 students admitted compared to 65 the previous year. There has also been growth in numbers within the Year 8 through to Year 10 year groups since 1 April 2014.
- Bluecoat Academies Trust is now a lead Academy for a number of software and ICT developments. The Virtual Learning Environment, Frog, has worked so well for us that other schools and Academies, most recently Top Valley School in Nottingham and The Long Eaton School in Derbyshire, are now working with Bluecoat Academies Trust and Frog to develop their own VLE experience. A member of our SLT has recently delivered a session at the most recent Frog VLE conference about the impact of our work in this area.
- Bluecoat Academies Trust is exploring GoogleApps in Education and already have a full programme of training for the staff at Bluecoat Academies Trust and other schools in Promethean. Bluecoat Academies Trust will shortly be accredited as a Promethean Training School. Bluecoat Academies Trust is also expecting to hear back about our application to become Microsoft Academy in the near future, to be able to support other schools and academies in their work embedding ICT into their curriculum.
- Bluecoat Academies Trust has been asked by Nottingham Trent University to help establish the 'Computing At School' (CAS) hub for the Midlands region. This work will support teachers in other schools to deliver Computing, especially those who are new to the subject and to coincide with the introduction of Computing GCSE.

Bluecoat Academies Trust

TRUSTEES' REPORT (Continued)

Key Performance Indicators

The Trustees use the following key measures to assess the success of the activities of the charitable company:

1. Achievement

- Students to achieve target grades and to ensure all measures are above the national averages
- Students to be provided with a curriculum to maximise their progress towards qualification success, further study and employability
- Ensure internal assessment is robust and prepare for measuring achievement within "Life without Levels" era.

2. Teaching and Learning

- Embed the 5 Core Beliefs of great teaching throughout the Trust
- Teaching challenges every student to make progress on prior learning, and achieve exceptional results over time
- Teaching is personalised and informed by the highest quality assessment and feedback
- Teaching engages and inspires, developing students' curiosity, imagination and love of learning
- Teaching enhances skills, attributes and attitudes, preparing students to achieve great success in life
- Teaching involves a passion for innovation and professional improvement

3. Behaviour and Safety

- All students to be responsible for their behaviour and learning in every lesson
- All groups of students feel safe across all the Academies within the Trust at all times
- Students are given opportunities to achieve in a wide range of activities.

4. Leadership and Management

- All students are valued and nurtured within their academy setting
- Individual academy priorities are determined by thorough and accurate self-evaluation
- All staff are valued and supported in their own career progression
- Implement the Trust capital improvement plan
- Improve the effectiveness of the Governing Body to stringently hold the Trust and its Leadership to account.

Going concern

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

Financial Outcome of Activities & Events

Most of the Trust's income in the year was obtained from the DFE (Department for Education) and the EFA (Education Funding Agency) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received for the year and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

In accordance with the Charities SORP Accounting by Charities, grants and donations for capital are shown in the Statement of Financial Activities as restricted fixed asset funds. The balance sheet restricted fixed

Bluecoat Academies Trust

TRUSTEES' REPORT (Continued)

asset fund is reduced by transfers of amounts equivalent to any depreciation charges over the expected useful life of the assets concerned.

The Trust's operating income amounted to £14,140,000 with operating expenses amounting to £15,374,000 (a deficit of £1,234,000). Total incoming resources amounted to £42,580,000 and total resources expended amounted to £16,295,000 (a surplus of £26,285,000). The level of funding the Trust receives is based on student numbers. Bluecoat Academy continues to be oversubscribed. Bluecoat Beechdale Academy which converted to academy status and joined the Trust on the 1st April 2014 is undersubscribed. Bluecoat Beechdale Academy has a PAN of 900 students however has 487 students currently on roll. In September 2014 the academy recruited 125 students into Year 7 compared to 65 students recruited in September 2013

The Trust's cash flow position is good. The net increase in cash balance for the period amounted to £1,965,000. The cash balances will be utilised during the forthcoming year to end 31 August 2015 to fund a large capital project extending the building currently occupied by Bluecoat Academy Sixth Form.

As at 31 August 2014 the net book value of fixed assets was £68,929,000 as shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the academies within the Trust.

The predecessor school to Bluecoat Academy had entered into loan arrangements with the Local Authority and the Bluecoat Foundation Trust. The balance of these loans (£2,197,332) was transferred to the Academy on conversion. During the year the Academy made capital repayments against outstanding loans to the Local Authority and Bluecoat Foundation Trust amounting to £377,000.

During the year further losses on the pension fund liability were accumulated and the pension fund deficit at 31st August 2014 was £3,179,000.

Financial and Risk Management Objectives and Policies

Key financial policies adopted or reviewed during the period include the Finance Policy which lays out the framework for financial management and limits of delegated authority for spending. Other policies reviewed and updated included the Charging Policy and the Lettings Policy.

The Trustees have created an Audit Committee to review the work of the appointed Internal Auditors, Smith Cooper LLP who undertake a programme of internal checks on financial controls. During the year, three internal control audits were carried out. Trustees have received the reports which did not contain any matters of significance. All recommendations made have been noted and actioned.

Reserves policy

The Trustees' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the Trust and to fund future projects. The Trustees will ensure that the levels of Reserves that can be carried forward at the end of the financial year will be in line with the guidance received from the DFE on the treatment of GAG income and other grants. Bluecoat Academies Trust will try to match income with expenditure in the current year and will only carry forward reserves that it considers are necessary for future year's expenditure having regard for:

- Forecasts of levels of income in future years
- Forecasts for expenditure in future years
- Analysis of any future development needs and opportunities that could not be met out of annual income
- Analysis and forecast of cashflow and fund management

Bluecoat Academies Trust

TRUSTEES' REPORT (Continued)

There is no absolute level of free reserves that the Trust maintains, but generally cumulative restricted reserves should normally be restricted to 12% of annual GAG funding.

At the balance sheet date, the charitable company had free reserves of £499,000.

The Trustees intend to utilise these reserves in the near future to improve the infrastructure of the Trust's premises that were inherited from the local authority.

Investments Policy

The Trustees' investment powers are set down in the charitable company's Memorandum and Articles of Association, which permit the investment of monies of the charitable company that are not immediately required for its purposes in such investments, securities or property as may be thought fit subject to any restrictions which may from time to time be imposed or required by law.

The charitable company's current policy is to invest surplus funds in short-term cash deposits.

Principal risks and uncertainties

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

- The Trust has considerable reliance on continued Government funding through the Education Funding Agency and whilst the current level of funding is expected to continue there is no assurance that government policy or practice will remain the same or that public funding will continue at the same level or on the same terms.
- The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.
- The success of the Trust is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- The Trust has appointed internal Auditors to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.
- Failures in governance/management and in particular the risk that arises from the potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- The Trust has changed its status to become a multi academy trust. Additional risks have been identified by the Trust's sponsorship of Bluecoat Beechdale Academy. The Trustees have evaluated these risks and have ensured that adequate measures have been put in place to mitigate and reduce these risks.
- There remains a risk of contractors going into administration or liquidation as the general economy struggles to recover from a prolonged recession. The Trust's procurement procedures have been enhanced to reflect the highlighted risk.

Bluecoat Academies Trust

TRUSTEES' REPORT (Continued)

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

EQUALITY AND DIVERSITY

The Trustees aim to provide an environment that will promote equality for all staff. Where staff have disabilities the Trustees seek to ensure that reasonable and affordable arrangements are made to ensure they can take full advantage of the generally available entitlement. Trustees ensure there is collaboration with specialist services and agencies to provide coherent and integrated support.

The Trust supports consultation with all staff on matters relating to terms and conditions of employment at the Trust, the Trust vision and strategy and shares information regularly on achievement and performance of the Trust.

PLANS FOR FUTURE PERIODS

- Having established itself as a multi academy trust, Bluecoat Academies Trust plans to continue to ensure an excellent educational provision is provided at its current academies and plans to continue to share its expertise and to develop staff training opportunities across the Trust by supporting other struggling schools and academies in Nottingham and Nottinghamshire.
- Bluecoat Academy plans to change its designation to an all through academy. Plans to finalise this are in place and it's expected that the Academy will accept 60 primary aged pupils in January 2015.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Although the charitable company maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors, and other funders, Bluecoat Academies Trust does not hold, and the Trustees do not anticipate that it will in the future hold, any funds as custodian for any third party.

POST BALANCE SHEET EVENTS

In October 2014 Bluecoat Academy received permission from the DFE to change its designation to an all through Academy and extend the age range at the Academy to cover 3 to 19. As a result of this it is expected that in January 2015 Bluecoat Academy will accept up to 60 pupils into Reception and Year 1.

Auditors

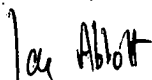
Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

Insofar as the Trustees are aware:

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

Approved by order of the Board of Trustees on 16 December 2014 and signed on its behalf by:

I. Abbott
Chair of Trustees



Bluecoat Academies Trust

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Bluecoat Academies 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 Principal, 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 Bluecoat Academies Trust and the Secretary of State for Education. She is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Bluecoat Academy from 1 September 2013 – 31 March 2014:

Trustee	Meetings attended	Out of possible
Ian Abbott	2	2
Nick Blane	1	2
Brian Chiplin	1	1
Chris Colbeck	0	1
Hilary Evans	0	2
Hugh Gardner	2	2
Sian Hampton	2	2
Jenny Hempstead	1	2
Jon Hutchinson	2	2
Bruce Spencer	2	2
Michelle Walshe	2	2
Henry Curran	1	2
Peter Bruce	2	2
Rao Chirag	2	2
Jeffery Abbott	0	2

Bluecoat Academies Trust from 1 April 2014 – 31 August 2014:

Trustee	Meetings attended	Out of possible
Sian Hampton	2	2
Ian Abbott (Chair)	2	2
Chris Archer	2	2
Nick Blane	2	2
Jon Hutchinson	2	2
Manjit Lall	2	2
Paul Sykes	1	2
Zahira Zia	1	2

The Chair of the Board of Trustees Brian Chiplin resigned effective 20 February 2014. Ian Abbott was elected Chair of the Board of Trustees effective 14 May 2014.

Bluecoat Academies Trust

GOVERNANCE STATEMENT

During the year the following Trustees resigned from the posts as indicated above:

C Colbeck (resigned 24 February 2014)
L Watson (resigned 1 September 2013)
H Evans (resigned 14 May 2014)
H Gardner (resigned 31 March 2014)
J Hempstead (resigned 14 May 2014)
B Spencer (resigned 14 May 2014)
M Walshe (resigned 31 March 2014)
H Curran (resigned 14 May 2014)
P Bruce (resigned 14 May 2014)
R Chirag (resigned 14 May 2014)
J Abbott (resigned 14 May 2014)

The following appointments have been made to the Board of Trustees during the year:

Chris Archer (appointed 14 May 2014)
Zahira Zia (appointed 14 May 2014)
Manjit Lall (appointed 14 May 2014)
Paul Skyes (appointed 14 May 2014)

The Audit Committee is also a sub Committee of the Board of Trustees. Its purpose is to ensure effective financial control, advise the Governing Body on risk management and have sole responsibility for the internal and external audit processes. Sian Hampton as Accounting Officer is in attendance at audit committee meetings.

	Meetings attended	Out of possible
Ian Abbott (Chair of Trustees)	0	1
Zahira Zia (Trustee)	1	1
Cath McCarney (Vice Principal)	1	1
Carl Elder (Vice Principal)	1	1
Sian Hampton (Accounting Officer) – non voting	1	1
Maria Lysenko – non voting	1	1

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 the 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 at Bluecoat Academies 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 Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the 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 Board of Trustees.

Bluecoat Academies Trust

GOVERNANCE STATEMENT

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Smith Cooper LLP as internal auditors. A termly report is prepared by internal audit and is presented to the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Review of Effectiveness

As accounting officer, the Principal 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 Smith Cooper LLP;
- the work of the external auditor;
- the work of the senior managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 16/12/14 and signed on its behalf by:

I Abbott
Chair of Trustees



S Hampton
Accounting Officer



Bluecoat Academies Trust

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

I confirm that no instances of material irregular, impropriety or funding non-compliance have been discovered to date.



S Hampton
Accounting Officer

Date 16/12/14

Bluecoat Academies Trust

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees are also the directors of the Charitable Company and for the purposes of company law are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction 2014 issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles 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 trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

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

I Abbott
Chair of Trustees

Date

Ian Abbott
16 December 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLUECOAT ACADEMIES TRUST

We have audited the financial statements of Bluecoat Academies Trust for the year ended 31 August 2014 on pages 20 to 47. 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 Trustees' Responsibilities set out on page 17, 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 Trustees' 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

MICHAEL HUGGINS (Senior Statutory Auditor)

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

Chartered Accountants

St Philips Point

Temple Row

Birmingham

B2 5AF

Date *23 December 2014*

Bluecoat Academies Trust

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

for the year ended 31 August 2014

Company Registration No. 07875164

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2014 £'000	Total 2013 £'000
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	40	2,066	4,131	6,237	6,946
Voluntary income transfer from Local Authority on conversion	2	-	4	21,526	21,530	-
Activities for Generating Funds	3	154	500	-	654	625
Investment income		19	-	-	19	3
Incoming resources from charitable activities:						
Academy Trust's educational operations	4	-	14,140	-	14,140	11,874
Total incoming resources		213	16,710	25,657	42,580	19,448
RESOURCES EXPENDED						
Other resources expended:						
Transfer from local authority on conversion		-	(842)	-	(842)	-
Charitable activities:						
Academy Trust's educational operations	6	(71)	(15,303)	-	(15,374)	(15,626)
Governance costs	7	-	(79)	-	(79)	(52)
Total resources expended	5	(71)	(16,224)	-	(16,295)	(15,678)
NET INCOMING RESOURCES BEFORE TRANSFERS		142	486	25,657	26,285	3,770
TRANSFERS						
Gross transfers between funds	15	-	1,777	(1,777)	-	-
NET INCOME/(EXPENDITURE) FOR THE YEAR		142	2,263	23,880	26,285	3,770
OTHER RECOGNISED GAINS AND LOSSES						
Actuarial (losses) on defined benefit pension schemes	24	-	(433)	-	(433)	(90)
NET MOVEMENT IN FUNDS		142	1,830	23,880	25,852	3,680
RECONCILIATION OF FUNDS						
Total funds brought forward		357	232	41,352	41,941	38,261
TOTAL FUNDS CARRIED FORWARD	16	499	2,062	65,232	67,793	41,941

Bluecoat Academies Trust

BALANCE SHEET

for the year ended 31 August 2014

Company Registration No. 07875164

	Notes	2014 £'000	2014 £'000	2013 £'000	2013 £'000
FIXED ASSETS					
Tangible assets	11a		68,929		44,460
Investments	11b		-		-
CURRENT ASSETS					
Debtors	12	971		578	
Cash at bank and in hand		3,049		1,084	
		4,020		1,662	
CREDITORS: Amounts falling due within one year	13	(1,177)		(1,502)	
NET CURRENT ASSETS			2,843		160
TOTAL ASSETS LESS CURRENT LIABILITIES			71,772		44,620
CREDITORS: Amounts falling due in more than one year	14		(800)		(933)
NET ASSETS EXCLUDING PENSION LIABILITY			70,972		43,687
Pension scheme liability	24		(3,179)		(1,746)
NET ASSETS INCLUDING PENSION LIABILITY			67,793		41,941
FUNDS OF THE ACADEMY TRUST:					
RESTRICTED FUNDS					
Fixed asset fund	15		65,232		41,352
General fund	15		5,241		1,978
Restricted funds excluding pension reserve			70,473		43,330
Pension reserve	15		(3,179)		(1,746)
TOTAL RESTRICTED FUNDS			67,294		41,584
TOTAL UNRESTRICTED INCOME FUNDS	15		499		357
TOTAL FUNDS			67,793		41,941

The financial statements on pages 20 to 47 were approved by the trustees and authorised for issue on 16 December 2014, and are signed on their behalf by:

Ian Abbott, Chair

Ian Abbott

Bluecoat Academies Trust

CASH FLOW STATEMENT

for the year ended 31 August 2014

	Notes	2014 £'000	2013 £'000
NET CASH FLOW FROM OPERATING ACTIVITIES	19	3,171	1,140
Returns on investments and servicing of finance	20	(358)	(441)
Capital expenditure	21	(848)	(671)
		<hr/>	<hr/>
INCREASE IN CASH IN THE YEAR	22	1,965	28
		<hr/>	<hr/>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
Increase in cash in the year		1,965	28
NET FUNDS AT 1 SEPTEMBER 2013		1,084	1,056
		<hr/>	<hr/>
NET FUNDS AT 31 AUGUST 2014		3,049	1,084
		<hr/>	<hr/>

Bluecoat Academies Trust

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 ('SORP 2005') 'Accounting and Reporting by Charities', the Academies: Accounts Direction 2013 to 2014 issued by the Education Funding Agency and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

The Academy owns 100% of the share capital of Bluecoat Academy Trading Limited. The Academy and its subsidiary constitute a medium-sized group, however consolidated group accounts have not been prepared as it is considered that the subsidiary is not material for the purpose of a true and fair view. The accounts therefore show information about the Academy as an individual entity only.

Going Concern

The financial statements have been prepared under the going concern basis. No material uncertainties related to events or conditions cast a significant doubt on the ability of the Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of approval of these financial statements.

Incoming resources

Grants receivable for tuition and other wider educational activities, other operating income, rental income, and investment income are accounted for on an accruals basis. Income is recognised as receivable and excluding any relevant Value Added Tax when the Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

Capital grants are recognised as voluntary income 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.

General donations and other similar types of voluntary income are brought into account when receivable, except that donated income is included gross of any attributable tax recoverable, where relevant. Donated assets, donated services and gifts in kind are recognised in the statement of financial activities at their fair value to the charitable company in the period in which they are receivable, and where the benefit to the charitable company is both quantifiable and material.

All sources of income given for specific purpose are treated as restricted income.

Resources expended

Expenditure is recognised in the period in which the rights and obligations that relate to goods received by or services performed for the charitable company are materially fulfilled, with the relevant liability to pay the suppliers concerned being recognised as a liability. Resources expended are therefore generally recognised in the period in which they are incurred and include any elements of irrecoverable Value Added Tax.

Resources expended are allocated to the charitable company's principal activity, to the costs of generating funds or to governance costs, where the costs involved can be identified as being directly related to those categories. All other costs are categorised as support costs and are allocated in proportions based upon a suitable ratio applicable to the nature of the cost involved.

Bluecoat Academies Trust

ACCOUNTING POLICIES

Governance costs are the costs associated with running the charitable company as a charitable company, and in particular include a proportion of staff costs, the costs of Trustees' meetings and audit fees.

Fund accounting

The general fund comprises the accumulated surpluses of unrestricted incoming resources over resources expended, which are available for use in furtherance of the general objectives of the charitable company.

Designated funds are a particular form of unrestricted funds consisting of amounts, which have been allocated or designated for specific purposes by the Trustees. The use of designated funds remains at the discretion of the Trustees.

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out in the notes to the financial statements. Amounts unspent at the year-end are carried forward in the balance sheet.

Restricted fixed asset funds are funds consisting of amounts which have been allocated for fixed assets. The use of the restricted fixed asset funds is specifically restricted to transactions relating to fixed assets.

Tangible fixed assets

Tangible fixed assets costing £3,000 or more are capitalised at cost and are carried at cost net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy, the corresponding amount charged to the restricted fixed asset fund in the Statement of Financial Activities.

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

Freehold Building	50 years
Long leasehold buildings	50 years
Fixtures, fittings and equipment	10% pa
ICT equipment	25% pa
Motor Vehicles	20% pa
Plant and machinery	10% pa

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use. A full year's depreciation is charged in the year of acquisition.

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

Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by

Bluecoat Academies Trust

ACCOUNTING POLICIES

Chapter 3 Part 11 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.

Leased assets

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

Pensions benefits

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the 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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 24, the TPS is a multi-employer scheme and the 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 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.

Bluecoat Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

1 GENERAL ANNUAL GRANT (GAG)

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 2014.

2 VOLUNTARY INCOME

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2014 Total £'000	2013 Total £'000
DfE/EFA capital grant for building	-	79	159	238	44
Donations – Building Schools for the Future	-	-	3,934	3,934	6,839
Assets on Conversion	-	4	21,526	21,530	-
Private sponsorship	-	17	-	17	47
Other donations	40	1,970	38	2,048	16
	<u>40</u>	<u>2,070</u>	<u>25,657</u>	<u>27,767</u>	<u>6,946</u>

3 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total 2014 £'000	Total 2013 £'000
Trip income	-	168	-	168	195
Catering income	27	314	-	341	289
Student teacher income	27	-	-	27	29
Workplace parking income	37	-	-	37	27
Sales of goods/services	-	9	-	9	32
Sundry lettings and hire of facilities	12	-	-	12	40
Other income	51	9	-	60	13
	<u>154</u>	<u>500</u>	<u>-</u>	<u>654</u>	<u>625</u>

Bluecoat Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

4 FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	Total 2014 £'000	Total 2013 £'000
DfE/EFA REVENUE GRANTS				
General annual grant (GAG) (note 1)	-	12,911	12,911	11,078
Start up grants	-	149	149	-
Other DfE/EFA grants	-	676	676	429
	-	13,736	13,736	11,507
OTHER GOVERNMENT GRANTS				
Local Authority grants	-	62	62	228
Special educational projects	-	304	304	139
Other Government Grants (non LA)	-	38	38	-
	-	14,140	14,140	11,874

5 RESOURCES EXPENDED

	Staff costs £'000	Non pay expenditure Premises £'000	Other costs £'000	Total 2014 £'000	Total 2013 £'000
Transfer on conversion Academy Trust's educational operations	-	-	842	842	-
Direct costs	9,044	-	3,381	12,425	10,589
Allocated support costs	817	1,871	261	2,949	5,037
	9,861	1,871	4,484	16,216	15,626
Governance costs including allocated support costs	-	-	79	79	52
	9,861	1,871	4,563	16,295	15,678

Bluecoat Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

5 RESOURCES EXPENDED (continued)

Net incoming/(outgoing) resources for the year:	2014 £'000	2013 £'000
Operating leases - plant and machinery	24	25
Operating leases – iPad Scheme	6	-
Fees payable to Baker Tilly UK Audit LLP and its associates for:		
- audit	16	13
- other services	0	8
Loss on disposal of fixed assets	95	2,485

Outside Planned Range of Activities

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	Total £	Individual items over £5,000	Reason
Ex-gratia/compensation payments	£12,045	7,800	Amount agreed as per settlement agreement
Fixed Asset Losses	£94,764	£99,127 (£4,363)	Furniture, fixtures and fittings (which were donated at conversion to an academy) disposed of during BSF project at Wollaton Park Campus. Loss of Computers during break ins at Wollaton Park Campus, net book value at the time was £25,925 but £30,288 was received from insurance claims.
Unrecoverable Debts	£97		Unpaid sales invoice, cost of recovery higher than cost of debt

6 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	2014 £'000	Re-stated 2013 £'000
DIRECT COSTS		
Teaching and educational support staff costs	9,044	7,679
Staff development	43	49
Technology Costs	170	178
Educational Supplies	881	795
Other direct costs	2,287	1,888
	<u>12,425</u>	<u>10,589</u>

Bluecoat Academies Trust

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

6 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS (continued)

	2014 £'000	Re-stated 2013 £'000
ALLOCATED SUPPORT COSTS		
Support staff costs	739	624
Depreciation	1,777	1,626
Recruitment and support	72	61
Loss on disposal of fixed assets	95	2,485
Net finance on pension scheme	78	51
Bank interest and charges	54	76
Other support costs	134	114
	<hr/>	<hr/>
	2,949	5,037
	<hr/>	<hr/>
	15,374	15,626
	<hr/> <hr/>	<hr/> <hr/>

Amounts relating to Technology Costs and Educational Supplies have been separately disclosed above to more appropriately reflect the costs of the academy. These amounts were not separately disclosed in the prior year's financial statements, thus the comparatives have been restated. The restated 2013 figures are: Technology costs £178k (previously £nil); Educational supplies £795k (previously £nil); and Other direct costs £1,888k (previously £2,861k).

7 GOVERNANCE COSTS

	2014 £'000	2013 £'000
Legal and professional fees	55	39
Auditors' remuneration		
Audit of financial statements	16	13
Other services	8	-
	<hr/>	<hr/>
	79	52
	<hr/> <hr/>	<hr/> <hr/>

Bluecoat Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

8 STAFF COSTS

	2014 £'000	2013 £'000
Staff costs during the period were:		
Wages and salaries	8,411	7,214
Social security costs	608	527
Pension costs	1,137	956
	<hr/>	<hr/>
	10,156	8,697
Agency costs	340	208
	<hr/>	<hr/>
	10,496	8,905
	<hr/> <hr/>	<hr/> <hr/>

Staff Severance Payments

Included in the staff costs are non-statutory/non-contractual severance payments totalling £12,045 (2013: £35,000). One of the non-statutory/non-contractual payments exceeded £5,000 individually and this was for £7,800.

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

Educational operations:	2014 No	2013 No
Teachers	175	116
Administration and support	251	117
Management	20	10
	<hr/>	<hr/>
	446	243
	<hr/> <hr/>	<hr/> <hr/>

Bluecoat Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

8 STAFF COSTS (continued)

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

	2014 No	2013 No
£60,001 - £70,000	6	7
£90,000 -£100,000	-	1
£100,001 - £110,000	1	-

The charitable company made contributions to pension schemes on behalf of all employees whose emoluments exceeded £60,000, and the total contributions payable during the year amounted to £68,883 (2013: £72,957)

9 CENTRAL SERVICES

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

Human Resources
Financial Services
Legal Services
Educational Support Services
IT Network management services
Facilities services
Other as arising

The trust charges for these services on the following basis:

- Central charges, such as HR, Finance costs, etc. were recharged to Bluecoat Academy and Bluecoat Beechdale Academy based on pupil numbers at the time of conversion; the total numbers were 1,991 at Bluecoat and 437 at Bluecoat Beechdale Academy, which equated to an 82% charge for Bluecoat Academy and an 18% charge to Bluecoat Beechdale Academy.

The actual amounts recharged during the year were as follows:

	2014 £'000
Bluecoat Academy	332
Bluecoat Beechdale Academy	70
Multi-Academy Trust	(402)

Bluecoat Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

10 TRUSTEES' REMUNERATION AND EXPENSES

Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment and not in respect of their services as trustees. Mr C. Archer, a Trustee of Bluecoat Academies Trust also provided a consulting service to the Nottingham Heads Partnership, the operation of which falls within the business of the Trust. For this service an amount of £2,800 was due. Other trustees did not receive any payments from the Trust in respect of their role as trustees.

The value of the Principal's remuneration was £111,132 (2013: £95,213). The Principal is accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the year amounted to £15,670 (2013: £13,478).

The value of staff trustees' remuneration was £71,296 (2013: £161,126). The staff trustee aggregate pension contributions paid in the year amounted to £15,669 (2013: £30,424). Of the three staff trustees one resigned on 24 February and the other two on 14 May 2014, and these salaries are up to the point of resignation

The number of staff trustees' whose remuneration fell within the following bands was:

	2014 No	2013 No
£20,001 - £30,000	-	1
£30,001 - £40,000	1	-
£40,001 - £50,000	2	3
	<u> </u>	<u> </u>

During the year ended 31 August 2014, travel and subsistence expenses totalling £786 (2013:£607) were reimbursed to three trustees.

Related party transactions involving the trustees are set out in note 25.

Trustees' and Officer's Insurance:

In accordance with normal commercial practice the Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,962 (2013: £1,905).

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

Bluecoat Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

11a TANGIBLE FIXED ASSETS

	<i>Freehold Land and Building £'000</i>	<i>Long leasehold land and buildings £'000</i>	<i>Fixtures Fittings and equipment £'000</i>	<i>Assets Under Construction £'000</i>	<i>Total £'000</i>
Cost/ valuation:					
1 September 2013	-	43,730	2,942	-	46,672
Transferred at Conversion	21,230	-	296	-	21,526
Additions	-	3,935	817	93	4,845
Disposals	-	-	(228)	-	(228)
31 August 2014	21,230	47,665	3,827	93	72,815
Depreciation					
1 September 2013	-	1,292	920	-	2,212
Charged in the year	157	903	717	-	1,777
Disposals	-	-	(103)	-	(103)
31 August 2014	157	2,195	1,534	-	3,886
Net book value					
31 August 2014	21,073	45,470	2,293	93	68,929
31 August 2013	-	42,438	2,022	-	44,460

Land and buildings for Bluecoat Academy was brought onto the balance sheet on conversion of the academy on the 1 January 2012 at a valuation amount of £39,900,000. The valuation was carried out by FHP Property Consultants on the 30 March 2012 using the Depreciated Replacement Cost method of valuation. Land and buildings for Bluecoat Beechdale Academy was brought onto the balance sheet on conversion of the academy on the 1 April 2014 at a valuation amount of £21,230,000. The valuation was carried out by FHP Property Consultants on the 23 October 2013 using the Depreciated Replacement Cost method of valuation.

Bluecoat Academies Trust

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

11b	INVESTMENTS	Unlisted 2014 £ 1	Unlisted 2013 £ 1
		<u> </u>	<u> </u>

The Trust owns 100% of the £1 share capital of Bluecoat Academies Trust Trading Limited, a company registered in the United Kingdom.

12	DEBTORS	2014 £'000	2013 £'000
	Trade debtors	641	7
	VAT recoverable	93	415
	Prepayments	202	155
	Other debtors	35	1
		<u> </u>	<u> </u>
		971	578
		<u> </u>	<u> </u>

Bluecoat Academies Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

13	CREDITORS: Amounts falling due within one year	2014 £'000	2013 £'000
	Trade creditors	132	485
	Loans	133	378
	Other taxation and social security	216	158
	Other creditors	220	5
	Accruals and deferred income	476	476
		<hr/>	<hr/>
		1,177	1,502
		<hr/>	<hr/>

Deferred income	£'000
Deferred income at 1 September 2013	181
Resources deferred in the year	165
Amounts released from previous years	(181)
	<hr/>
Deferred income at 31 August 2014	165
	<hr/>

At the balance sheet date the Academy was holding funds for the following:

	£'000
Special Educational Needs Funding from Nottingham City Council	106
Trip income received 2013/14 for trips taking place in 2014/15	16
EFA reimbursements Rates/Insurance	43
	<hr/>
Deferred income at 31 August 2014	165
	<hr/>

14	CREDITORS: Amounts falling due in more than one year	2014 £'000	2013 £'000
	Loans	800	933
		<hr/>	<hr/>
	Analysis of debt maturity		
	Amounts payable:		
	In one year or less	133	378
	In more than one year but less than two years	133	133
	In more than two years but less than five years	667	800
		<hr/>	<hr/>
		933	1,311
		<hr/>	<hr/>

Bluecoat Academies Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

15 FUNDS

	At 1 September 2013 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	At 31 August 2014 £'000
RESTRICTED GENERAL FUNDS					
General Annual Grant	1,978	12,911	(13,301)	1,777	3,365
Inherited on Conversion	-	4	-	-	4
Start up Grants	-	25	(25)	-	-
Pension reserve	(1,746)	-	(1,000)	(433)	(3,179)
Other DfE/EFA grants	-	800	(800)	-	-
Other grants	-	2,970	(1,098)	-	1,872
	<u>232</u>	<u>16,710</u>	<u>(16,224)</u>	<u>1,344</u>	<u>2,062</u>
RESTRICTED FIXED ASSET FUNDS					
DfE/EFA capital grants	282	163	-	(375)	70
Other (BSF)	-	3,968	-	(367)	3,601
Inherited on conversion	41,070	21,526	-	(1,035)	61,561
	<u>41,352</u>	<u>25,657</u>	<u>-</u>	<u>(1,777)</u>	<u>65,232</u>
TOTAL RESTRICTED FUNDS	<u>41,584</u>	<u>42,367</u>	<u>(16,224)</u>	<u>(433)</u>	<u>67,294</u>
UNRESTRICTED FUNDS					
Unrestricted funds	357	213	(71)	-	499
	<u>357</u>	<u>213</u>	<u>(71)</u>	<u>-</u>	<u>499</u>
TOTAL UNRESTRICTED FUNDS	<u>357</u>	<u>213</u>	<u>(71)</u>	<u>-</u>	<u>499</u>
TOTAL FUNDS	<u>41,941</u>	<u>42,580</u>	<u>(16,295)</u>	<u>(433)</u>	<u>67,793</u>

Bluecoat Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

Fund balances as at 31 August 2014 were allocated as follows:

	2014 £'000	2013 £'000
Bluecoat Academy	4,705	589
Bluecoat Beechdale Academy	1,035	-
	<u>5,740</u>	<u>589</u>
Total before Fixed Assets and Pension Reserve		
	<u>5,740</u>	<u>589</u>
Restricted Fixed Asset Fund	65,232	43,098
Pension Reserve	<u>(3,179)</u>	<u>(1,746)</u>
Total	<u>67,793</u>	<u>41,941</u>

Analysis of academies by cost

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

	Teaching and Education Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (excluding depreciation) £'000	Total £'000
Bluecoat Academy	8,047	1,511	1,238	1,346	12,142
Bluecoat Beechdale Academy (includes opening pension deficit in other support costs)	1,010	1,024	156	186	2,376
	<u>9,057</u>	<u>2,535</u>	<u>1,394</u>	<u>1,532</u>	<u>14,518</u>
Bluecoat Academies Trust	<u>9,057</u>	<u>2,535</u>	<u>1,394</u>	<u>1,532</u>	<u>14,518</u>

Bluecoat Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

15 FUNDS (continued)

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

The inherited fixed assets fund has been set up to recognise the tangible assets gifted to the academy upon conversion which represent the school site including the leasehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

The Capital grants fixed assets fund has been set up to recognise the tangible assets purchased by the academy following conversion that have been funded by capital grants received by the academy. This fund has been created by a transfer from the Capital grants fund of an amount equivalent to the cost of the tangible assets involved. Depreciation charged on those tangible assets is allocated to the fund.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the Education Funding Agency (formerly the Young People's Learning Agency) by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the academy.

The Pension Reserve deficit fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

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 2014.

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted	Restricted	Restricted	Total funds
	funds	general	fixed asset	
	£'000	funds	funds	£'000
		£'000	£'000	
Tangible fixed assets	-	-	68,929	68,929
Net current assets/(liabilities)	499	5,241	(2,897)	2,843
Long-term liabilities	-	-	(800)	(800)
Pension scheme liability	-	(3,179)	-	(3,179)
TOTAL NET ASSETS AT 31 AUGUST 2014	499	2,062	65,232	67,793

Bluecoat Academies Trust
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

17	CAPITAL COMMITMENTS	2014 £'000	2013 £'000
	Contracted for, but not provided in the financial statements	Nil	Nil
18	FINANCIAL COMMITMENTS		
	OPERATING LEASES		
	At 31 August the Academy Trust had annual commitments under non-cancellable operating leases as follows:		
		2014 £'000	2013 £'000
	Ipad Scheme:		
	Expiring within one year	3	-
	Expiring within two to five years inclusive	12	-
		15	-
	Plant & Machinery:		
	Expiring within one year	20	-
	Expiring within two to five years inclusive	-	20
		20	20
19	RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2014 £'000	2013 £'000
	Net income	25,852	3,680
	Depreciation (note 11)	1,777	1,626
	Fixed assets acquired on conversion	(21,526)	-
	Donations – Building Schools for the Future	(3,934)	(6,839)
	Donations – Trustees Antiques/Assets	(38)	-
	Loss on disposal of fixed assets	99	2,485
	Loans acquired on conversion	-	-
	Cash acquired on conversion	-	-
	Interest receivable	(19)	(3)
	FRS 17 pension cost less contributions payable (note 24)	80	60
	FRS 17 pension finance expense (note 24)	78	51
	FRS 17 pension liability on conversion	842	-
	FRS 17 actuarial loss	433	90
	Increase/Decrease in debtors	(393)	(405)
	(Decrease)/Increase in creditors	(80)	395
	NET CASH INFLOW FROM OPERATING ACTIVITIES	3,171	1,140

Bluecoat Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

20	RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	2014 £'000	2013 £'000
	Interest received	19	3
	Loan repayments	(377)	(444)
	NET CASH OUTFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE	(358)	(441)
21	CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	2014 £'000	2013 £'000
	Purchase of tangible fixed assets	(878)	(671)
	Receipts from sale of tangible fixed assets	30	-
	NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(848)	(671)
22	ANALYSIS OF CHANGES IN NET FUNDS	At 1 September 2013 £'000	At 31 August 2014 £'000
	Cash in hand and at bank	1,084	3,049
		1,084	3,049
23	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.		
24	PENSION AND SIMILAR OBLIGATIONS		
	The Academy Trust's employees belong to two principal pension 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. 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.		

Bluecoat Academies Trust

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

24 PENSION AND SIMILAR OBLIGATIONS (continued)

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%.

Bluecoat Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

24 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 £738,424 (2013: £613,367).

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.

Bluecoat Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

24 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme

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 was £517,000 (2013: £380,000), of which employer's contributions totalled £384,000 (2013: £283,000) and employees' contribution totalled £133,000 (2013: £97,000). The agreed rates for future years are 18.3 per cent for employers and no change to employees' rate.

Principal actuarial assumptions

	2014 %	2013 %
Rate of increase in salaries	4.5	5.1
Rate of increase for pensions in payment	2.7	2.9
Discount rate	4.0	4.7
Inflation (CPI)	2.7	2.9
Inflation (RPI)	3.5	3.7

Local Government Pension Scheme (continued)

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

	2014 Years	2013 Years
Retiring today:		
Males	22.0	18.7
Females	25.1	22.8
Retiring in 20 years:		
Males	24.1	20.7
Females	27.4	24.6

Bluecoat Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

24 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	6.5	2,160	6.2	1,072
Gilts	3.0	172	9.0	136
Bonds	3.6	206	7.9	60
Property	5.5	338	5.2	181
Cash	2.9	126	6.5	30
Alternative assets	n/a	-	6.2	30
TOTAL MARKET VALUE OF ASSETS		3,002		1,509
Present value of scheme liabilities				
- Funded		(6,181)		(3,255)
DEFICIT IN THE SCHEME		(3,179)		(1,746)

The actual return on scheme assets was £216,000 (2013: £160,000)

Bluecoat Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

24 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

Amounts recognised in the statement of financial activities	2014 £'000	2013 £'000
Current service cost (net of employee contributions)	464	343
Past service cost	-	-
Total operating charge	464	343
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	118	56
Interest on pension liabilities	(196)	(107)
Pension finance (costs)	(78)	(51)

The actuarial gains and losses for the current year are recognised in the SOFA. The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is £1,041,000 (2013: £425,000).

Movements in the present value of defined benefit obligations were as follows:	2014 £'000	2013 £'000
Upon conversion to academy status	842	-
At 1 September	4,083	2,515
Current service cost	464	343
Interest cost	196	107
Employee contributions	133	97
Estimated benefits paid net of transfers in	(88)	-
Actuarial loss	551	193
At 31 August	6,181	3,255
Movements in the fair value of Academy Trust's share of scheme assets:		
Upon conversion to academy status	842	-
At 1 September	1,495	970
Expected return on assets	118	56
Actuarial gain	118	103
Employer contributions	384	283
Employee contributions	133	97
Estimated benefits paid net of transfers in and including unfunded	(88)	-
At 31 August	3,002	1,509

The estimated value of employer contributions for the year ended 31 August 2015 is £449,000.

Bluecoat Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

24 PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

The three year history of experience adjustments is as follows:

	2014 £'000	2013 £'000	2012 £'000
Present value of defined benefit obligations	(6,181)	(3,255)	(2,515)
Fair value of share of scheme assets	3,002	1,509	970
	<hr/>	<hr/>	<hr/>
Deficit in the scheme	(3,179)	(1,746)	(1,545)
	<hr/>	<hr/>	<hr/>
Experience adjustments on share of scheme assets	118	103	12
Experience adjustments on scheme liabilities:	(858)	(425)	(347)

25 RELATED PARTIES

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

The following related party transactions took place in the year:

£2,645 paid for electrical services throughout the year to NTIS, the trading name for the spouse of M Walshe (staff governor to 31 March 2014). There were no amounts outstanding at 31 August 2014 (2013: £7,190).

£860 paid for counselling supervision services to Mrs Deanne Gardner, spouse of H H Gardner (staff governor to 31 March 2014). There were no amounts outstanding at 31 August 2014 (2013: £480).

£2,800 for consulting services to the Heads Partnership was paid to Mr C Archer, one of the Trustees of Bluecoat Academies Trust. As at 31 August 2014 £2,800 was outstanding for payment.

26 POST BALANCE SHEET EVENTS

Bluecoat Academy received permission from the DFE to change its designation to an all through Academy and to change its age range to cover 3-19 year olds. It is planned that in January 2015 Bluecoat Academy will admit up to 60 Reception and Year 1 pupils.

Bluecoat Academies Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

27 CONVERSION OF BLUECOAT BEECHDALE ACADEMY

Following the Academy Order issued by the Secretary of State on 25 September 2013, Bluecoat Academy changed its designation to a Multi Academy Trust on 1 April 2014 and changed its name to Bluecoat Academies Trust. On the same date Hadden Park High School converted to academy status, under the Academies Act 2010, under the sponsorship of Bluecoat Academies trust and changed its name to Bluecoat Beechdale Academy. All the operations and assets and liabilities were transferred to Bluecoat Beechdale Academy, which was sponsored by Bluecoat Academies Trust Limited, from Nottingham City Council.

On 1 April 2014 Hadden Park High School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bluecoat Beechdale Academy, which was sponsored by Bluecoat Academies Trust Limited, from Nottingham City Council.

The transfer has been accounted for using the acquisition method. 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 £20,688,000 in the Statement of Financial Activities.

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
Tangible Fixed Assets:				
Freehold Land and Buildings	-	-	21,230	21,230
Other Tangible Fixed Assets	-	-	296	296
LGPS Pension Deficit	-	(842)	-	(842)
Other Identified Assets and Liabilities	-	4	-	4
Net assets/liabilities	-	(838)	21,526	20,688