

**THE EDDIE DAVIES EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2015**

**Company Registration Number:
08318962 (England and Wales)**



THE EDDIE DAVIES EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2015

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REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|--------------------------|--|
| Members: | His Honour W P Morris (Chair) Mr B G Cooper (Resigned 24/09/2015) Mr P A Gartside Mr R N Hurst |
| Governors: | Mr P A Gartside (Chair) Mrs K E Bramwell Mrs T Carr (Principal and Accounting Officer) Sir P L Craven Ms R Dewhurst (Parent Governor – Appointed 19/02/2015) Mr G Holmes Miss D Jeffrey (Staff Governor – Appointed 12/05/2015) Mrs D Luzcka (Parent Governor – Appointed 19/02/2015) Mr P E Moody (Appointed 19/02/2015) Mr V Parkinson (Parent Governor – Appointed 19/02/2015) Mr J Tucker (Removed 20/10/2015) Mr W B Warburton |
| Company Secretary: | Mr A Massey |
| Senior Management Team: | Mrs T Carr (Principal and Accounting Officer) Mr J G Brisbane (Head of Student Services) Mrs M Curtis (Business Manager) Mr J Kerr (Education Development Manager) |
| Registered Office: | Macron Stadium Burnden Way Lostock Bolton BL6 6JE |
| Company Registration No: | 08318962 (England & Wales) |
| Auditors: | DonnellyBentley Limited Chartered Accountants and Statutory Auditor Hazlemere 70 Chorley New Road Bolton BL1 4BY |
| Bankers: | Barclays Bank plc The Wellsprings Victoria Square Bolton BL1 1BY |
| Solicitors: | Brabners LLP 55 King Street Manchester M2 4LQ |

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GOVERNORS' REPORT

Governors and Accounting Officers Annual Report 31 August 2015

The Governors present their annual report together with the financial statements and auditors' reports of the charitable company for the period ended 31 August 2015.

Structure, Governance and Management Constitution

Constitution

The Eddie Davies Educational Trust (EDET) is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the EDET.

The governors of EDET are also the directors of the charitable company for the purposes of company law, with the exception of Mrs T Carr (Principal); Ms R Dewhurst (Parent Governor); Miss D Jeffrey (Staff Governor); Mrs D Luzcka (Parent Governor) and Mr V Parkinson (Parent Governor). The charitable company is known as Bolton Wanderers Free School.

Details of the governors who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Governors' Indemnities

EDET has an adequate insurance policy in place through the DfE Risk Protection Arrangement. Professional indemnity insurance is in place to protect Governors and officers from claims arising from an actual or alleged breach of professional duty.

Principal Activities

EDET is responsible for providing education to students aged 16-19. Its core service is to provide high quality education through BTEC and other vocational qualifications. This includes direct delivery of curriculum based education to students in the Free School and a varied programme of enrichment activities.

Method of Recruitment and Appointment or Election of Governors

Members of the EDET comprise:

- The signatories to the Memorandum
- The Chair of Governors
- Any person the Members may unanimously agree in writing to appoint as they see fit

The articles of association require the members of the charitable company to appoint at least three Governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of EDET.

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

The Trustee Board may appoint additional Governors. Governors may be removed by the person or persons who appointed them.

Policies and Procedures Adopted for the Induction and Training of Governors

The training and induction provided to new Governors depends upon their existing experience. All Governors are provided with copies of policies, procedures, minutes, accounts, budget plans and any other associated documents needed to undertake their role as Governor. As there are, at most, two or three new Governors a period, induction is informal and tailored specifically to the individual. All Governors are DBS checked on appointment.

In advance of their attendance to a meeting of the Board, a new Governor shall go through the induction procedure consisting of:

- Governor's information pack via electronic means or paper copies if requested.
- Visit to the school to meet the Principal and the Chair
- Brief from the Senior Leadership Team at the school
- Tour of the school
- Meeting of staff and students

This provides Governors with information they need to fulfil their role in governance.

The development of the Governing body will cover the following areas:

- Help shape the vision and direction of the school
- Understand the strengths and weaknesses of the school
- Challenge and support the Principal and school leadership team
- Ensure the school fulfils statutory requirements
- Specific sub areas covering the following: Progression, Safeguarding, Teaching and Learning and Finance.

Organisational Structure

The organisational structure of the EDET consists of three levels: The Members, Governors and the Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Free School is governed by the Members, who delegate functions as appropriate to the Governing Body. The Members and Governors exercise their powers and functions with a view to fulfilling a largely strategic role in the running of the Free School.

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The Governing Body is responsible for setting general policy, adopting an annual school development plan and budget, monitoring the Free School by the use of financial management information, strategic planning and making major decisions about the direction of the Free School and senior staff appointments.

The Senior Leadership Team (SLT) consists of the Principal, Business Manager, Head of Student Services and Education Development Manager. They control, manage and lead the Free School by the Principal implementing the policies laid down by the Governors and reporting back to them. As a group the SLT is responsible for the authorisation of spending as agreed within a budget. The Principal is responsible for the staffing structure and the appointment of staff. The Principal is the Accounting Officer.

The overall school management team includes the SLT and, up until November 2015, two curriculum area leaders. These managers are responsible for the day to day operations of the Free School, in particular organising teaching and support staff.

Appointment boards for posts in the leadership team will contain a Governor.

The delegation of responsibility and authority is set out within an approved comprehensive Scheme of Delegation which sets out the duties, powers and responsibilities delegated to Members, the Governing Body, the Finance Committee, the Principal and other staff.

Each committee of the governing body has a Term of Reference.

Risk Management

The Governors have assessed the major risks to which the Trust and Free School is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Free School, and its finances and ensure that steps are taken to mitigate the risks. Risks are identified, documented and reviewed on an annual basis and procedures are in place to manage such risks. The Governors have implemented a number of systems to assess risks that the Free School faces, especially in the operational areas (teaching, health and safety, school trips) as well as in relation to the control of finance. Systems are in place in regards to operational procedures (for example, vetting of new staff and visitors and internal financial controls in order to minimise risk). Any significant risks that remain are covered by adequate insurance.

Related Parties and other Connected Charities and Organisations

The Trusts lead supporters are:

- Bolton Wanderers Football Club
- Burnden Leisure PLC
- Bolton Arena
- University of Bolton
- Edgehill University

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GOVERNORS' REPORT

Objectives and Activities

Objects and Aims

The EDET's principal objective is to advance, for the public benefit, education, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The EDET believes in cultivating in students the life-long ability to take the right course of action in any particular situation, supported by a continuing interest in learning:

- **Understanding:** the ability to assess and summarise a situation within its particular context
- **Judgement:** having summarised a situation and its context, the ability then to judge the right thing to do
- **Technique:** having the ability, experience and expertise to make the right plan and then to execute it successfully

The combination of the teaching curriculum and a concentration on personal development through 'all-round professionalism' has proved particularly beneficial to young people.

The EDET aims to create a culture where all members of staff and students display the following values in their day to day lives in and around the school:

- **Resilience-** Learning from your mistakes, maintaining your strength and not giving up when faced with struggles or disappointment while using these situations as an opportunity to learn and develop.
- **Selflessness-** Helping others and caring about the impact our actions have on each other.
- **Integrity-** Being true to yourself and upholding honest beliefs and value. Making what you know to be the right choices, even when no one is around.
- **Leadership-** Be first to take charge of situations, yourself, and be a role model for the values held at BWFS.
- **Accountability-** Keeping to the commitments that you have made. Being responsible for your actions and how you have responded to situations.
- **Professionalism-** Doing what needs to be done at all times, especially when you don't feel like it.
- **Open mindedness-** Being open to new experiences and ideas. Embrace the unknown. Do not reject something just because it is different. Take the time to learn about things that you have never heard of or ever tried.
- **Respect-** Treating others in a polite and courteous manner, and having respect for yourself to improve and achieve. Valuing the differences that others have regarding their culture, faith and background.

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Objectives, Strategies and Activities

The main objectives of the Free School during the year ended 31 August 2015 are summarised below:

- Ensure there is a sufficient number of students recruited;
- Ensure that every student enjoys the same high quality education in terms of resourcing, tuition and care;
- Ensure students feel valued, happy, safe and supported; and all barriers to their learning and progress are addressed and removed;
- Develop partnerships with other schools, agencies and professionals;
- To improve the effectiveness of the Free School by keeping the curriculum and organisational structure under continual review;
- Secure fit for purpose extension of the temporary accommodation;
- Develop the website to take account of governance, parental communication and course information;
- Evaluate enrichment activities and plan for improvement;
- To provide value for money for the funds expended;
- To conduct the Free School's business in accordance with the highest standards of integrity, probity and openness.

Public Benefit

The key public benefit delivered by the EDET is to advance, for the public benefit, education as described above in the Objectives, Strategies and Activities. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy's objectives and aims and in planning future activities for the year. Given the activities of the Academy and the student population that it services, the Trustees consider that the company's aims are demonstrably to the public benefit.

Strategic Report

Achievements and Performance

Bolton Wanderers Free School opened in September 2014. Now in its second year of operation it continues to offer a range of Level 2 and Level 3 BTECs in vocational subjects such as Sport and Health and Social Care.

The majority of students are continuing their second year of study and will achieve in July 2016. During 2014-2015 a small number of students came into the school at Year 13 and completed their studies. The DfE Performance Tables for Level 3 students are shown below. The DfE do not currently include Level 2 students in these Performance tables.

Out of the three Year 13 students who studied a BTEC Level 2 qualification, 100% passed.

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Summary of Results in 2015

| Vocational Cohort and Results | |
|---|--------|
| Number of vocational students at the end of advanced level study | 16 |
| Number of vocational full-time equivalent students at the end of advanced level study | 16 |
| % achieving at least 3 substantial vocational qualifications | 6% |
| % achieving at least 2 substantial vocational qualifications | 31% |
| % achieving at least 1 substantial vocational qualification | 100% |
| Average point score per vocational entry | 185.6 |
| Average point score per vocational entry expressed as a grade | Merit- |
| Average point score per vocational student (full-time equivalent) | 278.4 |

Key Performance Indicators

- At the end of the accounting period to have a bank balance of £120,000 – actual bank balance was £110,302
- To receive an overall 'Good' Ofsted prediction from our Education Advisor at our termly visits – requires improvement achieved.

Going Concern

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

Financial Review

The Trust held fund balances as at 31 August 2015 of £144,578, comprising of a restricted fixed asset fund of £209,838, a general restricted fund in deficit by £49,260 and a pension reserve deficit of £16,000 relating to the Local Government Pension Scheme.

The deficit on the general restricted fund has arisen as the GAG funding received from the EFA was based on estimated student numbers at 1 September 2014. Actual student numbers were lower than estimated student numbers and as a result the Academy has to repay the EFA £171,719 which has been included in the accounts.

In order to bring the fund into surplus, the Academy has undertaken a full staff restructure, which has included removing two middle managers from November 2015. In addition the Academy has undertaken a rigorous review of all other costs and reduced such costs where possible.

The deficit on the pension scheme relates to the Local Government Pension Scheme and has arisen because the defined benefit obligation exceeds the fair value of the employer assets at 31 August 2015.

In order to reduce the pension deficit, contributions payable by the employee and employer have been increased.

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The vast majority of the Trust's income is obtained from the DfE via the Education Funding Agency (EFA) in the form of the General Annual Grant - the use of which is restricted to particular educational purposes. The grants received by the EFA for the year ending August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2015, EDET has received income of £950,550. The main sources were:

- General annual grant
- Start-up grant
- License to occupy grant

Over the year, total expenditure of £984,295 was more than the total of incoming resources. The excess of expenditure over income for the period was £33,745.

Key financial policies adopted or reviewed during the year include the Charging and Remissions, Intellectual Property, Conflicts of Interest Policy, Fixed Asset and Depreciation and Financial Procedural Manual. The Scheme of Delegation sets out the framework for financial management, including financial responsibilities of the Members, Governors, Principal (as Accounting Officer), Business Manager and other affected staff, as well as delegated authority for expenditure and procurement protocols. The EDET has adopted Responsible Officer arrangements to undertake a programme of internal checks on financial controls and processes.

During the year the Accounting Officer has been working closely with Governors, the school management team and the DfE Education Advisor to implement efficient and quality financial management systems. These systems are continually under review.

Reserves policy

The Trust's policy is to carry forward a prudent level of resources. The Governors aim is to hold sufficient financial reserves to sustain the Free School if our income falls below expected levels, by managing the finances responsibly and budgeting for predictable fluctuations in income. The reserves of the EDET are reviewed regularly and are considered to be sufficient for the Trust's requirements. This review encompasses the nature of the income and expenditure streams and the need to match income with commitments, ensuring that the resources available for the year are used specifically for the students attending during that same year.

Cash at the bank on 31 August 2015 was £110,302.

Investment Policy

With the exception of cash held for operation of the academy, the EDET has no realisable investments as at 31 August 2015. The Investment Policy of the Trust is to keep its funds in registered banks in the UK. The Trustees have the power to invest in such projects as they see fit. The level of investment will depend on resources available at the time the investment is considered and will take into account the current financial situation as well as consideration of the finances during the period the investment is being considered for.

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Principal Risks and Uncertainties

The Trust has undertaken work during the period to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the Trust's assets and reputation. The EDET's risk management strategy covers its major areas of activity.

The principal risks to the Trust are documented and managed using a risk management policy and risk register which is reviewed regularly. The risk register identifies key risks, the likelihood of these risks occurring, their potential impact on the Free School and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

The uncertainties relating to the Government's overall education budget, changes in funding arrangements and increasing employment and premises costs are all contributing to cost pressure in future periods, which increases the importance of maintaining robust levels of revenue reserves.

The Trust examines the financial health of the Free School at each meeting once a term reviewing expenditure against budget and reports on financial performance. More detailed scrutiny is undertaken by the Finance Governor, who receives monthly management reports. In addition, monitoring of financial activity is undertaken by the Business Manager and Principal. The Trust also reviews cash flow forecasts.

The Free School had significant liabilities as at 31 August 2015 which included £171,719 due to the EFA in respect of the pupil number adjustment.

The 2015/16 budget has been revised accordingly to take into account the amount due to the EFA and there is not considered to be any liquidity problem for EDET.

Plans for Future Periods

During 2015/2016 EDET's focus will be on:

Outcomes for Children and Learners

- Ensure that areas for improvement are identified and acted upon
- Devise a "Raising Achievement Strategy"
- Create learner information, advice and guidance information packs in accessible formats including induction packs, timetables, learner health and safety information and workbook.
- Devise Learner Involvement strategy
- Further establish a "Learner Voice working group"
- Learner Voice group elect an Equality and Diversity Representative.
- Student representative to attend termly Equality and Diversity meetings to ensure the learners' voice is heard.
- Focus on English and Mathematics progress individually and embedded into the curriculum
- Devise student study skills programme and implement this in tutorials and as separate sessions
- Design and implement a formal tutorial structure

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Strategies:

- Link to staff individual performance/analysis of subject
- Provide staff and stakeholders a starting point of reference to support students to achieve
- Clear induction period scheduled for students to inform expectations and performance from students
- All students to complete online Safeguarding Level 1
- Learner involvement action plan
- Learner's involved in the school and decisions that impact learning and school experience.
- Appropriately challenging and realistic target setting based upon national expectation and students prior attainment
- Meaningful tutorial sessions with a specific focus and structure

Quality of Teaching, Learning and Assessment

- Review Teaching and Learning policy
- Systematic and timely approach to tracking student progress and collating all data from subject units
- Map teaching and learning interventions used throughout to support students in accessing the curriculum
- Develop documentation "progress passport" to include ILP/IEP, attendance monitoring, examples of good work, student subject planning and risk assessment
- Design and implement "Student Curriculum Plan"
- Assess all students to establish baseline (first 2 weeks) in Maths and English and set short and long term targets
- Improve presentation in students work
- Staff training on lesson observations and expectations
- Roll out a peer observation programme
- Teaching and Learning champions to support teaching and learning
- Challenge and support meetings with appropriate staff

Strategies:

- Regular monitoring for swift interventions to be implemented based upon information on the tracking and ILP
- Challenge and support meetings with teaching staff
- Weekly data sent to Heads of Departments and then the Principal
- Behaviour approaches for individuals established
- Allocate support staff member to support SEN coordination throughout school
- Individual attendance to be documented to show progression
- Previous information from prior learning to inform initial target setting if appropriate
- Applied targets for all across the curriculum as agreed via IEP/ILP
- Marking policy consistently applied
- Link with outstanding schools to validate observations

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Effectiveness of Leadership and Management

- Further establishing the mission for the school that is clear to all leaders and matches that of the behaviour and improvement within the school
- Raise school profile with students, parents, other schools and stakeholders
- Roles and responsibilities of all staff in promoting ethos and positively engaging within the local community
- Ensure professionalism and set the highest of expectations
- Compose and implement a "prevent" duty policy that will be embedded into the everyday school delivery and operations
- Promote student outcomes
- Establish a calendar of Self-evaluation and formats to be used for analysis and improvement.
- Present to all staff the quality calendar
- Ensure plans and self-evaluation documents always contain measurable targets and strategies to raise achievement for groups and individuals
- Create SEF files for evidence and ensure collation of evidence is submitted as per school evaluation cycle
- Feedback to all staff and governors after scheduled monitoring visit
- Involve the governing body in the self-evaluation of the school
- Ensuring that a simple and effective tracking system is continued to be used and monitored to screen and improve academic achievement
- Established performance management targets linked to whole school priorities, required CPD and professional standards
- Develop the role of Subject leaders
- All subjects to have improvement plans
- All subjects to have subject development plans with measureable targets and produce a curriculum statement on how progress will be measured
- Equality and Diversity notices are regularly updated with images and information on diversity and cultural topics.
- Design and implement an "Equality Matters" newsletter
- Design and implement a "Health and Safety" newsletter
- An equality and diversity strategy to be devised and implemented.
- Raise school profile with students, parents, other schools and stakeholders
- More departmental meetings
- Designated staff minimum CPD days 4 per year
- Embed "Prevent" duty across the whole school

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Strategies:

- "Seven principles of public life" further embedded into BWFS ethos
- Cohesive vision of how we will work with immediate effect referenced in all areas of the school
- Clear documentation stating the protocol, policy and procedure for ensuring "prevent" is visual within the school.
- Staff aware of how SEF is evaluated for school improvement
- Review progress every six weeks
- Governing Body to have access to QA evidence
- OFSTED judgements used in conjunction to analysing teaching overall
- Compilation of Improvement Plan 2015- 16
- Embedded E&D as standard within the school
- Regular H&S communication
- The equality and diversity action plan to provide a cohesive approach to equality and diversity in the Free School to maximise the effectiveness of projects undertaken
- Regular planned CPD for staff
- Informal CPD also to be monitored and recorded for impact

Personal Development, Behaviour and Welfare

- Continue to ensure safeguarding is embedded throughout the school both operationally and strategically
- Devise and create a format for a student behaviour management plan
- Introduce a new induction arrangement, ensure completion of student passport and ensure staff use the initial and baseline assessment effectively
- Establish better transition arrangements from secondary school to post-16
- To have the HIGHEST of expectations and this to be communicated annually through the discipline and behaviour policy
- Set appropriate behaviour and attendance targets
- Whole school attendance to be minimum of 95% by the end of the academic year
- Improve attendance by ensuring rewards closely match the students interest so are valued by them
- Establish stronger partnerships with parents before students join the school and ensure targets and expectations are clearly agreed and communicated
- Ensure parents, carers and students are fully aware of the consequences of persistent absence and when targets are not met (robust action is taken)
- Enhance extra curricula activities and enrichment activities so they become an entitlement for all, rather than a reward for the minority
- Create an attendance monitoring for lessons in conjunction with overall attendance
- Learners are supported to create their own behaviour management plan in an accessible format
- All students to undertake safeguarding training level 1 via online

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Strategies:

- All staff to complete safeguarding refresh / update
- Awareness of students difficulties through implementation and assessment induction protocols
- IEP/IPL adapted to support additional needs
- Student curriculum plan to support additional learning needs
- Transition plans for students if appropriate
- Consistent approach to manage behaviour
- All progress to be celebrated appropriately
- Behaviour monitored daily or weekly by tutors as appropriate
- Planning differentiated to incorporate diverse needs of students
- Consistent approach of promoting expectations at lesson and unstructured time
- Attendance procedures communicated with staff, students and parents
- Dual purpose enrichment to enhance PSD which can also be educational
- Students with "walk out" habits identified, challenged and supported
- Learners have ownership and responsibility for their own behaviour, both positive and for improvement, resulting in less "behavioural" incidents and concerns.

Funds held as Custodian Trustee on Behalf of Others

The Trust and its Trustees do not act as Custodian Trustees of any other Charity.

Auditor

In so far as the governors are aware:

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

A resolution proposing that DonnellyBentley Limited be reappointed as auditor of the charitable company will be put to the members.

The Governors Report, incorporating a strategic report, was approved by Order of the Board of Governors, as the company directors, on 23 December 2015 and signed on the Board's behalf by:



.....
Mr W B Warburton
Interim Acting Chair of Governors

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GOVERNANCE STATEMENT

Scope of Responsibility

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

The governing body has delegated the day to day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management in accordance with requirements and responsibilities assigned to it in the funding agreement between Bolton Wanderers Free School and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governor's Report and in the Statement of Governors Responsibilities. The governing body has formally met 4 times since the Academy opened. Attendance during the year at meetings of the governing body was as follows:

| Governor | Meetings attended | Out of a possible |
|--|------------------------------|------------------------------|
| Mr P A Gartside (Chair) | 4 | 4 |
| Mrs K E Bramwell | 3 | 4 |
| Mrs T Carr (Principal and Accounting Officer) | 4 | 4 |
| Sir P L Craven | 1 | 4 |
| Ms R Dewhurst (Parent Governor – Appointed 19/02/2015) | 1 | 2 |
| Mr G Holmes | 4 | 4 |
| Miss D Jeffrey (Staff Governor – Appointed - 12/05/2015) | 1 | 1 |
| Mrs D Luzcka (Parent Governor – Appointed 19/02/2015) | 2 | 2 |
| Mr P E Moody (Appointed 19/02/2015) | 1 | 3 |
| Mr V Parkinson (Parent Governor – Appointed 19/02/2015) | 2 | 2 |
| Mr J Tucker (Until 20/10/2015) | 0 | 4 |
| Mr W B Warburton | 3 | 4 |

Review of Value for Money

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

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The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the governing body where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- **Financial Governance**

The trust has sought to ensure that by providing a robust suite of financial policies and in investing in appropriate CPD for the Business Manager (Chief Financial Officer), that the routine financial operations of the Free School not only promotes best value, but also minimises financial risk. The EDET has authorised a Scheme of Financial Delegation which details the responsibilities of staff at all levels to further enhance this.

- **Maximising Income Generation**

The Trust has been successful in a bid to the Big Lottery Fund securing funding of £10,000 for organising a series of trips to major venues and experiences focusing on raising the aspirations of our students, widening their horizons, challenging their perceptions and introducing them to a wider choice of activities and routes to further education and new career opportunities.

- **Collaboration**

The Trust has engaged with other educational providers and experts to share delivery or good practice, and to drive up standards for the least cost. Bolton Wanderers Free School has strong connections with local universities, from whom we receive trainee teachers. In addition, good working relationships have been developed with other 16-19 Free Schools, including Connell Sixth Form and Chapeltown Academy.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bolton Wanderers Free School for the year to 31 August 2015 and up to the date of the approval of the annual report and financial statements.

Capacity to Handle Risk

The governing body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Free School's significant risks that has been in place for the period to 31 August 2015 and up to the date of the approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

**THE EDDIE DAVIES EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

GOVERNANCE STATEMENT

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- regular reviews by the finance governor 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; and
- identification and management of risks.

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the governing body has appointed Mr Philip Moody as the Finance Governor.

Mr Moody has reviewed the accounting records, discussed these with staff and performed some internal checks to ensure that these transactions have been properly authorised. In addition he has performed some testing of payroll systems, including pension contributions.

For the 2015/16 academic year we intend to develop and strengthen these arrangements by compiling a detailed programme of work to be carried out throughout the year which will address and provide assurance on the risks to internal financial control. Written reports, together with any findings or recommendations, will be presented to the governing body.

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:

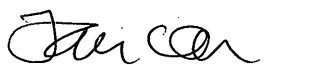
- The work of the Chair of Governors;
- The work of the Finance Governor;
- The work of the School Business Manager;
- Financial arrangement process (Scheme of Delegation and financial processes);

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control.

Approved by order of the members of the governing body on 23 December 2015 and signed on its behalf by:



Mr W B Warburton
Interim Acting Chair of Governors



Mrs T Carr
Accounting Officer

**THE EDDIE DAVIES EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Mrs T Carr
Accounting Officer

23 December 2015

**THE EDDIE DAVIES EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**YEAR ENDED 31 AUGUST 2015
STATEMENT OF GOVERNORS RESPONSIBILITIES**

The governors (who act as trustees for charitable activities of Bolton Wanderers Free School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the governors' annual report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction published by the Education Funding Agency.

Company law requires the governors to prepare financial statements for each financial year, which give a true and fair value of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for the year. In preparing these financial statements, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgements 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 operation.

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

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

In so far as the Governors are aware:

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

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

Approved by order of the members of the governing body on 23 December 2015 and signed on its behalf by:


.....
Mr W B Warburton
Interim Acting Chair of Governors

**THE EDDIE DAVIES EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2015**

INDEPENDENT AUDITOR'S REPORT

We have audited the financial statements of The Eddie Davies Educational Trust for the period ended 31 August 2015 which comprises the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. 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 Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Governors' Responsibilities on page 18, the Governors (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2015, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities); and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

**THE EDDIE DAVIES EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

INDEPENDENT AUDITOR'S REPORT

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Annual Report including the 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:

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

DonnellyBentley limited

Mr Michael Anthony Turner, ACA, FCCA (Senior Statutory Auditor)
For and on behalf of DonnellyBentley Limited
Chartered Accountants
Statutory Auditor
Hazlemere
70 Chorley New Road
BOLTON
BL1 4BY

23 December 2015

**THE EDDIE DAVIES EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
THE EDDIE DAVIES EDUCATIONAL TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Eddie Davies Educational Trust during the year to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Eddie Davies Educational Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Eddie Davies Educational Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Eddie Davies Educational Trust and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Eddie Davies Educational Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Eddie Davies Educational Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**THE EDDIE DAVIES EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
THE EDDIE DAVIES EDUCATIONAL TRUST AND THE EDUCATION FUNDING AGENCY**

The work undertaken to draw our conclusions includes:

- Review of any minutes of the various committees and sub-committees, management accounts and discussions with key personnel
- Evaluation of the implementation of the internal control procedures and detailed review of the control environment for any changes or weaknesses
- Review of expenditure to ensure it adheres to internal control procedures and is not for personal benefit
- Review of financial transactions for any unusual transactions which may be improper
- Ensuring that the activities of the academy are in keeping with the academy's framework and charitable objectives
- Review of related party transactions to ensure that no favourable rates have been applied
- Ensuring expenditure does not contravene the funding agreement

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

DonnellyBentley Limited

Mr Michael Anthony Turner, ACA, FCCA (Senior Statutory Auditor)
For and on behalf of DonnellyBentley Limited
Chartered Accountants
Statutory Auditor
Hazlemere
70 Chorley New Road
BOLTON
BL1 4BY

23 December 2015

**THE EDDIE DAVIES EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2015**

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

| | Note | Unrestricted Funds | Restricted General Funds | Restricted Fixed Asset Funds | Total 2015 | Total Period to 31/08/14 |
|--|------|-----------------------|--------------------------------|------------------------------------|---------------|--------------------------------|
| | | £ | £ | £ | £ | £ |
| Incoming resources | | | | | | |
| <i>Incoming resources from generated funds:</i> | | | | | | |
| Voluntary income | 2 | - | 80 | - | 80 | - |
| Activities for generating funds | 3 | 6560 | - | - | 6560 | - |
| <i>Incoming resources from charitable activities:</i> | | | | | | |
| Funding for the Academy's educational operations | 4 | 1500 | 821679 | 120731 | 943910 | 382920 |
| Total incoming resources | | 8060 | 821759 | 120731 | 950550 | 382920 |
| Resources expended | | | | | | |
| <i>Charitable activities:</i> | | | | | | |
| Academy's educational operations | 6 | 8060 | 965874 | - | 973934 | 165533 |
| Governance costs | 7 | - | 10361 | - | 10361 | 40064 |
| Total resources expended | 5 | 8060 | 976235 | - | 984295 | 205597 |
| Net incoming/(outgoing) resources before transfers | | - | (154476) | 120731 | (33745) | 177323 |
| Gross transfers between funds | 15 | - | 45468 | (45468) | - | - |
| Net income/(expenditure) for the period | | - | (109008) | 75263 | (33745) | 177323 |
| Actuarial gains/(losses) on defined benefit pension scheme | | - | 1000 | - | 1000 | - |
| Net movement in funds | | - | (108008) | 75263 | (32745) | 177323 |
| Reconciliation of funds | | | | | | |
| Funds b/fwd to 01/09/2014 | 15 | - | 42748 | 134575 | 177323 | - |
| Funds c/fwd at 31/08/2015 | | - | (65260) | 209838 | 144578 | 177323 |

All of the Academy's activities derive from continuing operations during the above two financial periods. The comparative period is 1 January 2014 to 31 August 2014.

A statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

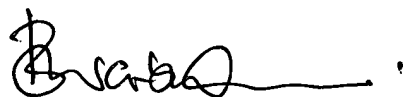
**THE EDDIE DAVIES EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**BALANCE SHEET
AS AT 31 AUGUST 2015**

| | Notes | £ | 2015 £ | £ | 2014 £ |
|---|-------|--------|-----------|--------|-----------|
| Fixed Assets | | | | | |
| Tangible Assets | 12 | | 209838 | | 134575 |
| Current Assets | | | | | |
| Debtors | 13 | 271111 | | 172699 | |
| Cash at bank and in hand | | 110349 | | 96980 | |
| | | ----- | | ----- | |
| | | 381460 | | 269679 | |
| Liabilities | | | | | |
| Creditors: Amounts falling due within one year | 14 | 430720 | | 226931 | |
| | | ----- | | ----- | |
| Net current (liabilities)/assets | | | (46860) | | 42748 |
| | | | ----- | | ----- |
| Net assets excluding pension liability | | | 162978 | | - |
| Pension scheme liability | 24 | | (16000) | | - |
| | | | ----- | | ----- |
| Net assets including pension liability | | | 144578 | | 177323 |
| | | | ===== | | ===== |
| Funds of the Academy: | | | | | |
| Restricted funds | | | | | |
| Fixed asset fund(s) | 15 | | 209838 | | 134575 |
| General fund(s) | 15 | | (49260) | | 42748 |
| Pension reserve | 15 | | (16000) | | - |
| | | | ----- | | ----- |
| Total restricted funds | | | 144578 | | 177323 |
| Unrestricted income funds | | | | | |
| General fund(s) | 15 | | - | | - |
| | | | ----- | | ----- |
| Total funds | | | 144578 | | 177323 |
| | | | ===== | | ===== |

The financial statements on pages 23 to 42 were approved by the governors, and authorised for issue on 23 December 2015 and are signed on their behalf by:



.....
Mr W B Warburton
Chairman of Governors

Company Limited by Guarantee
Registration Number: 08318962

**THE EDDIE DAVIES EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2015

| | Notes | 2015 £ | 2014 £ |
|---|-------|-----------|-----------|
| Net cash inflow from operating activities | 19 | 13369 | 96980 |
| Capital expenditure | 20 | - | - |
| | | ----- | ----- |
| Increase in cash in the period | 21 | 13369 | 96980 |
| | | ----- | ----- |
| Reconciliation of net cash flow to movement in net funds | | | |
| Net funds at 1 September 2014 | | 96980 | - |
| | | ----- | ----- |
| Net funds at 31 August 2015 | | 110349 | 96980 |
| | | ===== | ===== |

**THE EDDIE DAVIES EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by Education Funding Agency and the Companies Act 2006.

A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements. Although there are two funds in deficit, actions have been implemented post year end to remedy this situation, as detailed in note 15.

Incoming Resources

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

- **Grants receivable**

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

General Annual Grant is recognised in full in the year in which it is receivable. Any amounts which are to be clawed back by the EFA relating to the year to 31 August 2015 have been deducted from the relevant funds on the Balance Sheet and included as a creditor.

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

- **Other income**

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

Resources Expended

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

**THE EDDIE DAVIES EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

- **Charitable activities**

These are costs incurred on the Academy's educational operations.

- **Governance Costs**

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

Leased Property

The Academy leases the property which it occupies from Bolton Wanderers Football and Athletic Company Limited. This is a short term lease and rentals are recognised in the period in which they are incurred.

Tangible Fixed Assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

| | |
|----------------------------------|----------------------------|
| Fixtures, fittings and equipment | 20% |
| ICT equipment | 25% |
| Leasehold improvements | over the term of the lease |

Depreciation is charged on a monthly basis from the month 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.

Leased Assets

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

Taxation

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

**THE EDDIE DAVIES EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

Pensions Benefits

Retirement benefits to employees of the Academy 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 Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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 20, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Fund Accounting

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

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

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

**THE EDDIE DAVIES EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

2 Voluntary Income

| | Unrestricted Funds | Restricted Funds | Total 2015 | Total Period to 31/08/14 |
|-----------|--------------------|------------------|------------|--------------------------|
| | £ | £ | £ | £ |
| Donations | - | 80 | 80 | - |
| | ---- | ---- | ---- | ---- |
| | - | 80 | 80 | - |
| | ==== | ==== | ==== | ==== |

3 Activities for Generating Funds

| | Unrestricted Funds | Restricted Funds | Total 2015 | Total Period to 31/08/14 |
|-------------------------------|--------------------|------------------|------------|--------------------------|
| | £ | £ | £ | £ |
| Income from services provided | 6560 | - | 6560 | - |
| | ===== | ===== | ===== | ===== |

4 Funding for Academy's Educational Operations

| | Unrestricted Funds | Restricted Funds | Total 2015 | Total 31/08/14 |
|---|--------------------|------------------|------------|----------------|
| | £ | £ | £ | £ |
| DfE/EFA revenue grants | | | | |
| General annual grant | - | 427688 | 427688 | - |
| Start-up grant | - | 162000 | 162000 | - |
| Project development grant | - | - | - | 194000 |
| Licence to occupy grant | - | 174000 | 174000 | 17000 |
| Capital refurbishment grant | - | - | - | 32391 |
| Special educational needs grant | - | 8400 | 8400 | - |
| | ----- | ----- | ----- | ----- |
| | - | 772088 | 772088 | 243391 |
| DfE/EFA capital grants | | | | |
| Capital grant | - | 120731 | 120731 | 139529 |
| | ----- | ----- | ----- | ----- |
| | - | 120731 | 120731 | 139529 |
| Other government grants | | | | |
| Local authority grants | - | 31161 | 31161 | - |
| Apprenticeship grant | 1500 | - | 1500 | - |
| | ----- | ----- | ----- | ----- |
| | 1500 | 31161 | 32661 | - |
| Other income | | | | |
| Input VAT reclaimed on prior year costs | - | 18430 | 18430 | - |
| | ----- | ----- | ----- | ----- |
| | - | 18430 | 18430 | - |
| | ----- | ----- | ----- | ----- |
| | 1500 | 942410 | 943910 | 382920 |
| | ===== | ===== | ===== | ===== |

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5 Resources Expended

| | Staff Costs £ | Premises £ | Other Costs £ | Total 2015 £ | Period to 31/08/14 £ |
|--|------------------------------|-----------------------|------------------------------|-----------------------------|-------------------------------------|
| Academy's educational operations | | | | | |
| Direct costs | 416055 | 31617 | 63356 | 511028 | 114720 |
| Support costs | 187721 | 230943 | 44242 | 462906 | 50813 |
| | <u>603776</u> | <u>262560</u> | <u>107598</u> | <u>973934</u> | <u>165533</u> |
| Governance costs including allocated support costs | - | - | 10361 | 10361 | 40064 |
| | <u>603776</u> | <u>262560</u> | <u>117959</u> | <u>984295</u> | <u>205597</u> |

The method used for the apportionment of support costs is disclosed in the accounting policies.

6 Charitable Activities

| | Unrestricted Funds £ | Restricted Funds £ | Total 2015 £ | Period to 31/08/14 £ |
|---|-------------------------------------|-----------------------------------|-----------------------------|-------------------------------------|
| <i>Direct costs – educational operations</i> | | | | |
| Teaching and educational support staff costs | - | 416055 | 416055 | 68541 |
| Depreciation: leasehold improvements | - | 31617 | 31617 | 3815 |
| Technology costs | - | - | - | 39607 |
| Depreciation: computer equipment | - | 8211 | 8211 | 747 |
| Depreciation: fixtures and fittings | - | 5640 | 5640 | 392 |
| Uniform costs | - | 10812 | 10812 | 1618 |
| Staff development | - | 11096 | 11096 | - |
| Educational supplies | - | 2319 | 2319 | - |
| Student bursary payments | - | 4123 | 4123 | - |
| Student travel costs | - | 8082 | 8082 | - |
| Examination fees | - | 12753 | 12753 | - |
| Other direct costs | - | 320 | 320 | - |
| | <u>-</u> | <u>511028</u> | <u>511028</u> | <u>114720</u> |

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| | Unrestricted Funds £ | Restricted Funds £ | Total 2015 £ | Period to 31/08/14 £ |
|---|-------------------------------------|-----------------------------------|-----------------------------|-------------------------------------|
| Support costs – educational operations | | | | |
| Recruitment and support | - | - | - | 8400 |
| Rent | - | 174000 | 174000 | 17000 |
| Utility costs | - | 37048 | 37048 | 1995 |
| Maintenance of premises and equipment | - | 19895 | 19895 | - |
| Support staff costs | - | 187721 | 187721 | - |
| Insurance | - | 3302 | 3302 | - |
| Printing, stationery and postage | 5467 | - | 5467 | 229 |
| Hire costs | 2593 | 2408 | 5001 | - |
| Subscriptions | - | 895 | 895 | - |
| Catering | - | 5751 | 5751 | - |
| Telephone | - | 1361 | 1361 | - |
| Technology | - | 8261 | 8261 | - |
| VAT element of prior year revenue grant to be repaid to EFA | - | 4596 | 4596 | - |
| Bank charges | - | 160 | 160 | - |
| Pupil trips | - | 250 | 250 | - |
| Staff travel and accommodation | - | 3954 | 3954 | 3553 |
| Advertising and marketing | - | 3793 | 3793 | 19577 |
| Other support costs | - | 1451 | 1451 | 59 |
| Total charitable direct and support costs | 8060 | 454846 | 462906 | 50813 |

7 Governance Costs

| | Unrestricted Funds £ | Restricted Funds £ | Total 2015 £ | Period to 31/08/14 £ |
|---------------------------------|-------------------------------------|-----------------------------------|-----------------------------|-------------------------------------|
| Legal and professional fees | - | 5861 | 5861 | 37564 |
| Auditor's remuneration | | | | |
| • Audit of financial statements | - | 4500 | 4500 | 2500 |
| | - | 10361 | 10361 | 40064 |

8 Net expenditure for the year includes:

| | 2015 £ | Period to 31/08/14 £ |
|-------------------------------|-------------------|-------------------------------------|
| Operating leases: | | |
| Plant and machinery | 740 | - |
| Leasehold | 174000 | 17000 |
| Fees payable to auditors for: | | |
| Audit | 4500 | 2500 |
| Other services | 4540 | 1500 |
| | 184251 | 21000 |

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9 Staff

(a) Staff costs

| | 2015 £ | Period to 31/08/14 £ |
|-------------------------------------|---------------|----------------------------|
| Staff costs during the period were: | | |
| Wages and salaries | 482908 | 61200 |
| Social security costs | 33333 | 5085 |
| Pension costs | 80172 | 2256 |
| Supply staff costs | 7363 | - |
| | <u>603776</u> | <u>68541</u> |

(b) Staff numbers

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

| | 31 Aug 2015 Number | 31 Aug 2015 Full-time equivalent | 2014 Number | 2014 Full-time equivalent |
|------------------------------|--------------------------|---|----------------|---------------------------------|
| Charitable Activities | | | | |
| Teachers | 10 | 10 | 3 | 3 |
| Administration and support | 5 | 4 | 1 | 1 |
| Management | 4 | 4 | 1 | 1 |
| | <u>19</u> | <u>18</u> | <u>5</u> | <u>5</u> |

(c) Higher paid staff

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

| | 2015 Number | Period to 31/08/14 Number |
|-----------------|----------------|---------------------------------|
| £70,001-£80,000 | 1 | - |

10 Related Party Transactions - Governors' Remuneration and Expenses

The Principal only receives remuneration in respect of services she provides undertaking the role of Principal and not in respect of her services as a governor. Other governors did not receive any payments, other than expenses, from the Academy trust in respect of their role as governors. The value of governors' remuneration was as follows:

Mrs T Carr (Principal and Governor):

Remuneration: £65,000-£70,000 (2014: £20,000-£25,000)

Employers' pension contributions: £8,000-£8,500 (2014: £705)

During the period ended 31 August 2015, travel, subsistence and accommodation costs totalling £3,287 was reimbursed to one Governor. During the period to 31 August 2014, travel, subsistence and accommodation costs of £1,955 were paid to two Governors. Related party transactions involving the Governors are set out in note 25.

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11 Governors' and Officers' Insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover of up to £5,000,000 on any one claim. The cost of this insurance cover was included in a combined insurance package covering building and public liability insurance in addition to trustees/officers insurance, the total cost of which was £3,100 for the year ended 31 August 2015. There were no insurance costs in the period ended 31 August 2014.

12 Tangible Fixed Assets

| | Leasehold Improvements £ | Furniture and Equipment £ | Computer Equipment £ | Total £ |
|--|--------------------------------|------------------------------------|----------------------------|----------------------|
| Cost | | | | |
| At 1 September 2014 | 80109 | 23534 | 35886 | 139529 |
| VAT reclaimed on prior year additions | (13351) | (3921) | (5980) | (23252) |
| Additions | 131345 | 9710 | 2928 | 143983 |
| At 31 August 2015 | <u>198103</u> | <u>29323</u> | <u>32834</u> | <u>260260</u> |
| Depreciation | | | | |
| At 1 September 2014 | 3815 | 392 | 747 | 4954 |
| Charged in period | 31617 | 5640 | 8211 | 45468 |
| At 31 August 2015 | <u>35432</u> | <u>6032</u> | <u>8958</u> | <u>50422</u> |
| Net book values | | | | |
| At 31 August 2015 | <u>162671</u> | <u>23291</u> | <u>23876</u> | <u>209838</u> |
| At 31 August 2014 | <u>76294</u> | <u>23142</u> | <u>35139</u> | <u>134575</u> |

In the period to 31 August 2014, the cost of fixed asset additions included VAT because the Academy was unable to recover the VAT. However, during the year to 31 August 2015, the Academy has received confirmation that it is able to recover input VAT, including that relating to the prior period.

The Academy's transactions relating to land and buildings include the taking up of a leasehold in August 2014 for a period of 36 months. The rent was £17,000 per month for the period to June 2014 and then increased to a monthly charge of £27,500 for the remainder of the lease.

The Academy receives a specific Licence to Occupy grant from the EFA which is equivalent to the rent paid.

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13 Debtors

| | 2015 | 2014 |
|-----------------|---------------|---------------|
| | £ | £ |
| Accrued income | 120399 | 171920 |
| Other debtors | 7014 | 779 |
| VAT recoverable | 115310 | - |
| Prepayments | 28388 | - |
| | <u>271111</u> | <u>172699</u> |

14 Creditors: amounts falling due within one year

| | 2015 | 2014 |
|------------------------------|---------------|---------------|
| | £ | £ |
| Trade creditors | 49778 | 86331 |
| Other creditors | 253272 | 35522 |
| Accruals and deferred income | 127670 | 105078 |
| | <u>430720</u> | <u>226931</u> |

Deferred income

| | £ |
|--------------------------------------|--------------|
| Deferred income at 1 September 2014 | - |
| Resources deferred in the year | 37500 |
| Amounts released from previous years | - |
| Deferred income at 31 August 2015 | <u>37500</u> |

15 Funds

| | Balance at 01/09/2014 £ | Incoming Resources £ | Resources Expended £ | Gains, Losses & Transfers £ | Balance at 31/08/2015 £ |
|-------------------------------------|-------------------------------|----------------------------|----------------------------|--------------------------------------|-------------------------------|
| Restricted general funds | | | | | |
| Project development grant | 42748 | - | (42748) | - | - |
| Licence to occupy grant | - | 174000 | (174000) | - | - |
| General annual grant | - | 427688 | (522416) | 45468 | (49260) |
| Start-up grant | - | 162000 | (162000) | - | - |
| Other DfE/EFA grants | - | 8400 | (8400) | - | - |
| Other restricted funds | - | 49671 | (49671) | - | - |
| | <u>42748</u> | <u>821759</u> | <u>(959235)</u> | <u>45468</u> | <u>(49260)</u> |
| Pension reserve | - | - | (17000) | 1000 | (16000) |
| | <u>42748</u> | <u>821759</u> | <u>(976235)</u> | <u>46468</u> | <u>(65260)</u> |
| Restricted fixed asset funds | | | | | |
| DfE/EFA capital grants | 134575 | 120731 | - | (45468) | 209838 |
| Total restricted funds | <u>177323</u> | <u>942490</u> | <u>(976235)</u> | <u>1000</u> | <u>144578</u> |
| Unrestricted funds | | | | | |
| General fund | - | 8060 | (8060) | - | - |
| Total unrestricted funds | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total funds | <u>177323</u> | <u>950550</u> | <u>(984295)</u> | <u>1000</u> | <u>144578</u> |

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

Fixed Asset Fund:

These grants relate to funding received from EFA to carry out works and purchase items of a capital nature.

Restricted General Funds

General annual grant:

Funds received from the EFA for the running of the Academy.

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

Other EFA grant:

Funds received from EFA for special educational needs.

Other restricted funds:

Funds removed from Bolton Council and Wigan Council for special education needs in addition to input VAT reclaimed from HMRC on prior year costs and a donation received from students towards the cost of a trip for students organised by the Academy.

Pension reserve:

Represents the Academy's liability relating to the Local Government Pension Scheme.

The deficit on the pension scheme has arisen because the defined benefit obligation exceeds the fair value of the employer assets at 31 August 2015.

In order to reduce the pension deficit, contributions payable by the employee and employer have been increased.

Licence to occupy fund:

Represents funds received from EFA to lease the premises from which it operates.

Project development fund and start up fund:

Represents funds received from EFA for the development of the Academy.

The restricted general fund is in deficit by £49,260. The deficit on the general restricted fund has arisen as the GAG funding received from the EFA was based on estimated student numbers at 1 September 2014. Actual student numbers were lower than estimated student numbers and as a result the Academy has to repay the EFA £171,719 in January to March 2016. This liability has been included in these accounts.

In order to bring the fund into surplus, the Academy has undertaken a full staff restructure since the year end, which has included removing two middle managers. In addition, the Academy has undertaken a rigorous review of all other costs and reduced such costs where possible.

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16 Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by:

| | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Total Funds £ |
|--------------------------|-------------------------------------|---|---|------------------------------|
| Tangible fixed assets | - | - | 209838 | 209838 |
| Current assets | - | 381460 | - | 381460 |
| Current liabilities | - | (430720) | - | (430720) |
| Pension scheme liability | - | (16000) | - | (16000) |
| Total net assets | - | (65260) | 209838 | 144578 |

17 Financial commitments

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

| | 2015 £ | 2014 £ |
|------------------------------------|-------------------|-------------------|
| Land and buildings | | |
| Expiring within two and five years | 330000 | 204000 |
| | <u>330000</u> | <u>204000</u> |
| Other | | |
| Expiring within two and five years | 540 | - |
| | <u>540</u> | <u>-</u> |

18 Capital commitments

| | 2015 £ | 2014 £ |
|--|-------------------|-------------------|
| Contracted for, but not provided in the financial statements | 260425 | - |
| | <u>260425</u> | <u>-</u> |

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19 Reconciliation of net income to net cash inflow from operating activities

| | 2015 | 2014 |
|--|--------------|--------------|
| | £ | £ |
| Net (expense)/income | (33745) | 177323 |
| Depreciation (note 13) | 45468 | 4954 |
| Capital grants from DfE/EFA and other capital income | (120731) | (139529) |
| FRS17 pension costs less contributions payable | 17000 | - |
| (Increase)/decrease in debtors | (98412) | (172699) |
| Increase/(decrease) in creditors | 203789 | 226931 |
| Net cash inflow from operating activities | <u>13369</u> | <u>96980</u> |

20 Capital expenditure and financial investment

| | 2015 | 2014 |
|---|-------------|-------------|
| | £ | £ |
| Purchase of tangible fixed assets | 120731 | 139529 |
| Capital grants from DfE/EFA | (120731) | (139529) |
| Net cash outflow from capital expenditure and financial investment | <u>-</u> | <u>-</u> |

21 Analysis of changes in net funds

| | At | | At |
|--------------------------|-------------------|--------------|-------------------|
| | 01/09/2014 | | 31/08/2015 |
| | £ | | £ |
| Cash in hand and at bank | 96980 | Cash flows | 110349 |
| | <u>96980</u> | £ | <u>110349</u> |
| | | 13369 | |
| | | <u>13369</u> | |

22 Contingent Liabilities

The Academy had no contingent liabilities at 31 August 2015.

23 Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

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24 Pension and similar obligations

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- 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%.

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

The pension costs paid to TPS in the period to 31 August 2015 amounted to £43,815 (2014: £2,256)

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

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 2015 was £26000, of which employer's contributions totalled £18000 and employees' contributions totalled £8000. The agreed contribution rates for future years are 14.5% for employers and range from 5.5% to 8.5% for employees depending on salary.

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

The Academy was not admitted to the Local Government Pension Scheme (LGPS) for non-teaching staff until 1 September 2014.

| Principal Actuarial Assumptions | 2015 |
|--|-------------|
| Salary increase rate | 3.9% |
| Pension increase rate | 2.7% |
| Discount rate | 3.8% |
| Expected return on assets | 3.8% |

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

| | 2015 |
|--------------------------|-------------|
| <i>Retiring today</i> | |
| Males | 21.4 |
| Females | 24 |
| <i>Retiring 20 years</i> | |
| Males | 24 |
| Females | 26.6 |

An allowance is included for future retirements to elect to take 55% of the maximum additional tax free cash up to HMRC limits for pre April 2008 service and 80% of the maximum tax free cash for post April 2008 service.

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

| | Expected Return 2015 | Fair Value 2015 £000 |
|--|-------------------------------------|---|
| Equities | 3.8% | 18 |
| Bonds | 3.8% | 5 |
| Property | 3.8% | 2 |
| Cash | 3.8% | 1 |
| | | ---- |
| Total market value of assets | | 26 |
| Present value of scheme liabilities – Funded | | 42 |
| | | ---- |
| Surplus/(deficit) in the scheme | | (16) |
| | | == |

None of the fair values of the assets shown above include any of the Academy's own financial instruments or any property occupied by one or other assets used by the Academy.

The actual return on scheme assets was £Nil.

| Amounts recognised in the statement of financial activities | 2015 £000 |
|--|----------------------|
| Current service cost | 17 |
| | ---- |
| Total operating charge | 17 |
| | == |

| Analysis of pension finance income/(costs) | 2015 £000 |
|---|----------------------|
| Expected return on pension scheme assets | (1) |
| Interest on pension liabilities | 1 |
| | ---- |
| Pension finance income/(costs) | - |
| | == |

The actual gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £1000 gain.

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

| | 2015 £000 |
|--------------------------|----------------------|
| At 1 September 2014 | - |
| Current service cost | 35 |
| Interest cost | 1 |
| Employee contributions | 8 |
| Actuarial (gain)/loss | (2) |
| | ---- |
| At 31 August 2015 | 42 |
| | == |

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

| | 2015 £000 |
|----------------------------|----------------------|
| At 1 September 2014 | |
| Expected return on assets | 1 |
| Actuarial gain/(loss) | (1) |
| Employer contributions | 18 |
| Employee contributions | 8 |
| | ---- |
| At 31 August 2015 | 26 |
| | == |

The estimated value of employer contributions for the year ended 31 August 2016 is £26,115

The one year history of experience adjustments is as follows:

| | 2015 £000 |
|--|----------------------|
| Present value of defined benefit obligations | 42 |
| Fair value of share of scheme assets | 26 |
| | ---- |
| Surplus/(deficit) in the scheme | (16) |
| | == |

25 Related Party Transactions

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest.

All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations, the Academies Financial Handbook and normal procurement procedures.

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The following related party transactions took place in the period of account:

Mr B Cooper (member), Mr P A Gartside (member and Chairman of Governors) and Mr W B Warburton (governor) are directors of Burnden Leisure Limited which is the parent company of Bolton Whites Hotel Limited and Bolton Wanderers Football and Athletic Company Limited (BWFC).

The Academy has paid rent of £174,000 (2014: £17,000) to BWFC and has paid £37,048 (2014: £1,995) to BWFC for light, heat and water.

The Academy has paid accommodation costs of £2,883 (2014: £1,003) and cleaning costs of £18,818 (2014: £Nil) to Bolton Whites Hotels Limited.

Included in trade creditors at 31 August 2015 was £4,454 (2014: £Nil) owed to BWFC and £3,306 (2014: £1,995) due to BWFC was included in accruals. At 31 August 2015, £1,961 was due to BWFC by the Academy which was included in other creditors.

Mr W B Warburton and Mr R N Hurst are both directors of Bolton Middlebrook Leisure Trust (BMLT). In the year to 31 August 2015 the Academy has paid £5,001 to BMLT to hire the arena (2014: £Nil).

Mr W B Warburton is a director of Lancashire Football Association Limited (LFA). During the year to 31 August 2015, the Academy paid £108 to LFA for services provided.

Mr P A Gartside and Mr B Cooper are Trustees of Bolton Wanderers Community Trust (BWCT). In the year to 31 August 2015, the Academy received income of £3,200 (2014: £Nil) for services provided by the Academy.

26 Ultimate Controlling Party

The Academy is under the control of the Members.