

Bradford Academy Trust
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended
31 August 2017

Contents

	Page
Reference and Administrative Details	2
Trustees' Report	3
Governance Statement	9
Statement on Regularity, Propriety and Compliance	12
Statement of Trustees Responsibilities	13
Independent Auditors Report on the Financial Statements	14
Statement of Financial Activities incorporating Income and Expenditure Account	16
Balance Sheet	17
Statement of Cash Flows	18
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	19
Other Notes to Financial Statements	22

BRADFORD ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

The Secretary of State
The Diocese of Leeds
The Chair of Trustees

The Board of Trustees and Directors

Howard Astin (Chair of Trustees, Resigned 13.11.2017)
Manojkumar Joshi (Vice Chair / Acting Chair of Trustees 13.11.17)
Jayne Clarke (Resigned 15.02.2017)
Gareth Dawkins (Principal / Accounting Officer, Died 23.10.2016)
Jan De Villiers (Resigned 10.11.2017)
Adrian Farley (Appointed 01.01.2017)
Tehmina Hashmi (Senior Principal, Appointed 01.11.2016)
Alison Justice (Resigned 31.08.2017)
Jagdeep Kainth (Appointed 11.10.2016)
Ruth Leetham (Appointed 01.11.2016)
Darren Metcalfe (Appointed 01.04.2017)
Michelle Neale (Resigned 12.11.2017)
Bridget Pearson (Resigned 12.11.2017)
Steve Walker
Rob Taylor

Company Secretary

Andrew Blake

Senior Executive Team:

Senior Principal
Vice Principal
Vice Principal
Vice Principal
Finance Director

Tehmina Hashmi (Accounting Officer)
Melanie Saville
Mark Whiteley
David Fearnley
Andrew Blake

Principal and Registered Office

Bradford Academy
Teasdale Street
Bradford
BD4 7QJ

Company Registration Number

05508735 (England and Wales)

Independent Auditor

RSM UK Audit LLP
Chartered Accountants
Two Humber Quays
Wellington Street West
Hull
HU1 2BN

Bankers

Barclays Bank plc
10 Market Street
Bradford
BD1 1EG

Solicitors

Gordons Solicitors
Riverside West
Whitehall Road
Leeds
LS1 4AW

INTRODUCTION

The Board of Trustees and Directors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust operates an all-through academy from age 2 to post-16 serving a catchment area in South Bradford. It has a pupil capacity of 2,000 and has a predicted roll of 2,073 for the 2016/17 academic year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a teaching and learning company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of Association are the primary governing documents of the academy trust, July 2005. The Trustees of Bradford Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as Bradford Academy Trust.

Details of the Trustees who served throughout the year are included in the details on the Reference and Administrative Details on page 2.

Members Liability

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

Trustees Indemnities

Trustees at Bradford Academy are covered by Trustees Liability Insurance for any civil liability arising from their role as a Trustee as defined in the Companies Act 2006 s236.

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed by an election process under its constitutional rules contained within its Memorandum and Articles of Association. The appointments are made by the Secretary of State, the Academy Sponsor and the Trustees who devolve the power to run the organisation to the Senior Executive Team.

The membership of the main governing body is in accordance with the structure contained within its Memorandum and Articles of Association. Trustees have a breadth of skills, which are beneficial to the various sub-committees that support the governing body. Manojkumar Joshi is Acting Chair of Trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees

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

Organisational Structure

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

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

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

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

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

Arrangements for setting pay and remuneration of key management personnel

The academy trust operates two pay-scales for determining pay, the National Joint Council for Associate staff and the Teachers' pay spines subject to national negotiation and Agreement. Job weight and market forces determine the remuneration of key management as the Academy needs to be competitive to attract strong leaders to South Bradford. The Academy uses the Teachers' Leadership pay set and agreed with the teaching unions. Senior Leadership Pay is determined by reference to a board approved standardised contracts.

Related Parties and other Connected Charities and Organisations

Bradford Academy Trust does not transact with any connected organisations, which would have a direct influence on operating policies and procedures. The Trust is a member of the Bradford Partnership, an organisational collaboration amongst Bradford Secondary Schools providing peer review to improve standards and performance. The Academy sponsor is the Leeds Diocese. The sponsor has no operating input. Management and strategy of the Academy is the responsibility of the Senior Executive Team and Bradford Academy Trustees.

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

BRADFORD ACADEMY TRUST

TRUSTEES REPORT (continued)

Objectives, Strategies and Activities

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

- Assessment for learning;
- Raising achievement;
- No exclusion policy;
- Attendance strategy;
- Development of best practice through lead-practioners;
- Training and development (for all learners);
- Student voice;
- Development of in-school business ventures to endorse Citizenship and Enterprise;
- Provision of external agencies including; counselling, careers, pastoral care, spiritual support, social working, school nurse, learning mentors and youth workers;
- Development of strategic alliances for the Academy with its feeder schools;
- The establishment of an all-through academy offering places to ensure development from the earliest age, we have now extended reach to include 2-year olds;
- High standards of capital provision to ensure the best working environment;
- The under-pinning of the strategy with sound financial, operational, procedural methodologies and systems; and
- Active promotion of the Prevent agenda.

Public Benefit

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

Safeguarding

The safety and well-being of all our learners is the foundation for building a successful learning and teaching community. The Academy's policies, procedures and practices place a strong emphasis on creating a safe environment for learners, for example by maintaining the control register for all persons on site and e-safety for use of IT and communications systems.

Equal Opportunities policy

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

Employee Consultation and disabled persons

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

STRATEGIC REPORT

Achievements and Performance

Bradford Academy continued its improvement in achievement for learners. The catchment for Academy pupils is generally from socially and economically deprived areas where academic achievement is not at the forefront of Learner thinking. Despite this backdrop Secondary school learners performance measured by the new Progress 8 measure was -0.02 (2016 was -0.2) 0 being national average. Progress 8 and Progress 8 disadvantaged are much stronger than the cohort of 2016 leavers, -0.2 and -0.4 respectively. Maths progress has improved from -0.43 in 2016 to -0.28 with the introduction of more rigorous qualifications on the new scale 9 to 1. Progress of Low Ability Pupils is above national average and Middle ability is close to national average, with a significant improvement of High Ability Pupils compared to 2016 progress.

In the Primary phase Early Years' attainment is at national average 70% as is Key Stage One 58%, with Key Stage Two attaining 39% falling short of national average of 53% influenced by turbulence of learners during Year 5 and 6.

At Post-16 the overall pass rate significantly improved to 99% (95.5% 2016) achieving A to E with 35% gaining A* - A compared to 28% in 2016. 85 out of 110 learners have achieved university places compared to 65 from 85 last year.

Key Performance Indicators

In the year ended 31 August 2017 the total operating expenditure, including depreciation, of £14.168m (2016: £13.399m) was covered by grant funding and other incoming resources at £14.670m. The excess of income over expenditures was £502,000 surplus (2016: £1,004,000 deficit) including depreciation but excluding unrealised gains.

At 31 August 2017, the net book value of tangible fixed assets was £22.530m (2016: £23.114m). The assets were used exclusively for providing education and the associated support services to the learners of the academy.

Bradford Academy has committed considerable sums in pursuing the reason for the warping and cracking of its sports hall floor. In July the builder conceded (pre arbitration action), agreeing to pay costs, replace the sports hall floor, reinstate damp proofing, fill voids that occurred under the ground slab and install drainage that was originally value engineered from the development. The remedial works commenced in July with expected completion by the festive break. The costs agreed were 75% of expenditure, a greater figure than normally awarded in an arbitration case. The sum of £420,000 was received in August 2017.

With a plan for 2,030 learners' onsite, pupil intake is now stable have reached capacity with the Primary taking year 6. A financial review lead to a strategy for staff reductions across both Associate and Teaching Staff. The savings have been achieved largely by natural means, as staff leaving have not been replaced. Current staffing levels are 310, 13 down on last year with the Senior Management team reduced by 3 from 9 to 6.

The expansion project completed last year has enabled the Primary School to extend further its offer to include 2-year olds, both 15 and 30-hour offerings.

Bradford Academy has again been successful in securing Condition Improvement Funding (£895k) for the replacement of three external buildings that are in need of repair. Initial receipts have been capitalised, however the remainder of the total funding is shown as recognised income in line with Charity Accounting rules.

Attendance continues to be at national average despite the significant levels of deprivation in the learner cohort, the academy's investment in attendance continues to pay dividends.

Going Concern

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

FINANCIAL REVIEW

Condition Improvement Funding (CIF) of £895k has been awarded and will be used to improve the accommodation for the most challenging learners who require alternative provision as their presence in mainstream classrooms has a detrimental effect upon other learners. The facility when complete will provide for KS3 and KS4 alternative provision learners.

The Bradford Academy still has pupil numbers far in excess of its original number and has now reached capacity. With the introduction of a sixth-form centre in south-Bradford due in 2019, the Academy has taken the decision to reduce intake to deliver a greater focused provision for a smaller number of pupils. Staffing will need to be addressed in order to match the provision.

The receipt of £420,000 has been invested into the Barclays Wealth Fund just after year end, balance now £1,253,000, whose returns are consistently well above deposit fund return despite having a similar risk profile.

This year's assessment of pension scheme liability has resulted in a partial reversal (£1.9m benefit) of the substantial increase (£2.352m) in the balance sheet value last year. Such movements distort the view of performance.

The review of the expected National Funding formula suggest the Academy will be in a neutral position regarding change in funding levels.

Reserves Policy

The Trustees have established the minimum level of reserves (that is those that are freely available in cash form) that the Academy ought to have. The Trustees keep free reserves so that at least one month's salary cost equating to £800k is on hand in cash form at any point in time. The Wealth fund is also liquid reserves so the academy has a very healthy position. Cash holding is monitored on a daily basis.

Total funds value at 31 August 2017 are £21,766k compared to 2016: £19,267k.

Restricted general reserves including pension reserve are; 2017: (£2,562k); 2016: (£5,937k). Excluding the pension deficit restricted and unrestricted reserves show a surplus of £1,021k. The strategic review to reduce staff costs alongside the recovery of costs from BAM have added significant sums back to reserves.

Investment Policy

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

Principal Risks and Uncertainties

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

The loss of the executive principal in 2016 has triggered a plethora of activity as third parties seek to influence the future of the Academy. Joining a Multi-Academy Trust is the current government strategy however there has been little evidence provided to steer away from the current direction of travel. Providing for the economic, educational and social well-being for the learners of South Bradford is at the heart of Bradford Academy's strategy. Initial discussions suggest the strategy would need to change to one focussed solely on attainment if the current proposed MAT was joined.

The Trustees have assessed the major risks to which the Academy is exposed. The Academy has a Risk Register, which records and summarises the main large-scale, offensive and systematic risks to the Academy with safeguarding being the underlying principle of assessment.

Risk assessments of the work environment are carried out including all learners their safeguarding and well-being. Risks are examined, particularly those relating to specific teaching and learning, the provision of facilities and operations, and its finances. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the following statement. The Academy's exposure to financial risk is monitored. Cash availability is monitored daily and there are no material risks arising from debtors or trade creditors. Cash is invested on a staggered rolling programme to ensure access to liquidity within a reasonable timescale if necessary.

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

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

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

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

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

PLANS FOR FUTURE PERIODS

The establishment of the alternative provision unit will be completed during the 2017/18 financial year adding capacity and further stabilising the environment for learning. The Academy further complemented its Nursery offer establishing a 2-year-old offer which will be extended to offer 30-hour provision. At the end of this academic year, Bradford Academy will cease operations with VLUK (6th form provider) in line with the government directive as the model for this educational delivery has now changed. The new funding formula is being immediately adopted by Bradford Metropolitan Council in preference to transitional arrangements, the current projection is initially cost neutral followed by small reductions thereafter. Joining a MAT may also create a significant financial risk depending on the policy towards 'top-slicing' the income of the academy.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

AUDITOR

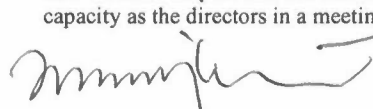
RSM UK Audit LLP has indicated its willingness to continue in office.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

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

The Trustees Report and the Strategic Report (included therein) is approved by the order of the Board of Trustees in their capacity as the directors in a meeting on 8th December 2017 and signed on its behalf by:


Manojkumar Joshi
Acting Chair of Trustees 08/12/2017

BRADFORD ACADEMY TRUST

GOVERNANCE STATEMENT

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

SCOPE OF RESPONSIBILITY

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

During the year to 31 August 2017 the Board of Trustees had delegated the day-to-day responsibility initially to Gareth Dawkins, then subsequently to Tehmina Hashmi as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Bradford Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

The Governing Body also acknowledge the Academy as a social institution as part of the wider local community. Corporate Social Responsibility (CSR) is a recognition of the part Bradford Academy plays in the development of the community for our learners.

GOVERNANCE

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

Trustee	Meetings attended	Out of a possible
Howard Astin (Chairman)	12	12
Manojkumar Joshi (Vice Chairman)	9	12
Andrew Blake (Ex-officio)	11	12
Jayne Clarke	3	3
Gareth Dawkins (Principal and Accounting Officer)	1	2
Jan De Villiers	9	10
Tehmina Hashmi (Senior Principal and Accounting Officer)	11	11
Adrian Farley	6	9
Alison Justice	4	4
Jagdeep Kainth	4	5
Ruth Leetham	5	5
Darren Metcalfe	2	2
Michelle Neale	5	5
Bridget Pearson	8	10
Melanie Saville (Ex-officio)	10	10
Rob Taylor	5	5
Steve Walker	4	5

The changes in Trustees have taken place to maintain the relevant number of people responsible to the various governing body committees. The untimely death of Gareth Dawkins resulted in the Appointment of Tehmina Hashmi, his planned successor, as Principal and Accounting Officer. The Bradford Academy executives ensure strong governance through having additional Chairs' of Committee meetings in addition to the full governing body meetings.

BRADFORD ACADEMY TRUST

GOVERNANCE (Continued)

The **Finance Committee** is a committee of the main governing body. Its purpose is to oversee the propriety and governance of all academy financial matters on behalf of the governing body. The expenditure of the condition improvement grant was the single largest financial undertaking during the year.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of a possible
Manojkumar Joshi (Chair of Finance)	4	4
Howard Astin (Chair of Trustees)	4	4
Andrew Blake (Finance Director)	4	4
Tehmina Hashmi (Principal and Accounting Officer)	3	3
Jagdeep Kainth	3	4
Terry Morton (Ex-officio)	4	4
Rob Taylor	4	4
Steve Walker	4	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.

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

- Bradford Academy continues to provide a well-maintained clean environment for learners through the completion of additional classrooms, an improved dining experience and support for the catering function.
- Achieving a Condition Improvement Fund grant to further improve the provision for the most challenging learners.
- The successful award of costs, a new sports hall floor, new tiling, new corridor floors and a new drainage system all at the builders expense with further enhance the conditions for learning.
- Implementation of the strategic review of staffing and structures has resulted in a reduced senior leadership team and more effective use of teaching and support staff.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bradford Academy Trust for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

BRADFORD ACADEMY TRUST

GOVERNANCE (Continued)

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 Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

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

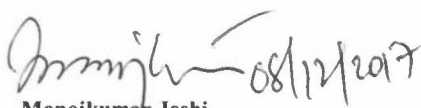
REVIEW OF EFFECTIVENESS

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

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

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

Approved by order of the members of the Board of Trustees on 8th December 2017 and signed on its behalf by:



Manojkumar Joshi
Acting Chair of Trustees



Tehmina Hashmi
Accounting Officer

BRADFORD ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Bradford Academy Trust I have considered my responsibility to notify the academy trust governing body and the Education and Skills Funding Agency ('ESFA') of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academy's Financial Handbook 2016.

I confirm that I and the Academy Trust Governing Body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy's Financial Handbook 2016.

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

Signed



Tehmina Hashmi
Accounting Officer

Date: 8 December 2017

BRADFORD ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

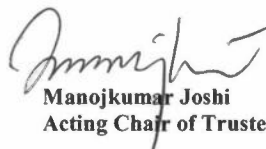
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 8th December 2017 and signed on its behalf by:

 08/12/2017
Manojkumar Joshi
Acting Chair of Trustees

Opinion on financial statements

We have audited the financial statements of Bradford Academy Trust (the “academy trust”) for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company’s affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the governors’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor’s report thereon. The governors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors’ Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors’ Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report and the incorporated Strategic Report.

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

- adequate accounting records have not been kept by the charity, 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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees responsibilities set out on page 13, the governors (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

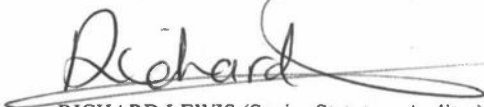
In preparing the financial statements, the governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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



RICHARD LEWIS (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered accountants
Two Humber Quays
Wellington Street West
Hull
HU1 2BN

Dated: 12/12/2017

BRADFORD ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2017 (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

		Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2017	Total 2016
	Notes	£000'S	£000'S	£000'S	£000'S	£000'S
Income and endowments from:						
Donations and Capital Grants	3	-	-	928	928	34
Funding for the academy's educational operations	4	238	12,788	-	13,026	11,960
Other trading activities	5	716	-	-	716	400
Investments	6	1	-	-	1	1
Total		<u>955</u>	<u>12,788</u>	<u>928</u>	<u>14,670</u>	<u>12,395</u>
Expenditure on:						
Raising funds	7	37	-	-	37	33
Charitable activities:						
Academy trust educational operations	7	-	13,396	735	14,131	13,366
Total	7	<u>37</u>	<u>13,396</u>	<u>735</u>	<u>14,168</u>	<u>13,399</u>
Net Income / (expenditure)		917	(608)	193	502	(1,004)
Transfer between funds	17	<u>(2,046)</u>	<u>2,046</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other recognised gains						
Re-measurement of net defined benefit pension obligation	17, 27	-	1,937	-	1,937	(2,352)
Unrealised gain on investments	12	60	-	-	60	73
Net movement in funds		<u>(1,069)</u>	<u>3,375</u>	<u>193</u>	<u>2,499</u>	<u>(3,283)</u>
Reconciliation of funds						
Total funds brought forward at 1 September 2016		<u>2,090</u>	<u>(5,937)</u>	<u>23,114</u>	<u>19,267</u>	<u>22,550</u>
Total funds carried forward at 31 August 2017	17	<u><u>1,021</u></u>	<u><u>(2,562)</u></u>	<u><u>23,307</u></u>	<u><u>21,766</u></u>	<u><u>19,267</u></u>

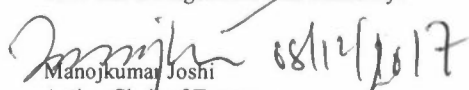
BRADFORD ACADEMY TRUST

BALANCE SHEET AS AT 31 AUGUST 2017

Company Number 05508735

		2017	2017	2016	2016
	Notes	£000'S	£000'S	£000'S	£000'S
Fixed Assets					
Tangible assets	13		22,530		23,114
Investments	12		833		773
Current assets					
Debtors	14	1,295		350	
Cash at bank and in hand		655		152	
		<u>1,950</u>		<u>502</u>	
Liabilities					
Creditors: amounts falling due within one year	15	(985)		(1,116)	
		<u></u>		<u></u>	
Net current assets / (liabilities)			965		(614)
Total assets less current liabilities			<u>24,328</u>		<u>23,273</u>
Defined benefit pension scheme liability	27		(2,562)		(4,006)
			<u></u>		<u></u>
Total Net Assets			<u>21,766</u>		<u>19,267</u>
Funds of the Academy Trust					
Restricted funds					
Fixed assets fund	17		23,307		23,114
General income fund	17		-		(1,931)
Pension Reserve	17		(2,562)		(4,006)
			<u></u>		<u></u>
Total Restricted funds			<u>20,745</u>		<u>17,177</u>
Total Unrestricted fund	17		<u>1,021</u>		<u>2,090</u>
Total Funds			<u>21,766</u>		<u>19,267</u>

The financial statements on pages 16 to 37 were approved by the Board of Trustees and authorised for issue on 28 December 2017 and are signed on their behalf by:


 Manojkumar Joshi
 Acting Chair of Trustees

BRADFORD ACADEMY TRUST
STATEMENT OF CASH FLOW FOR THE YEAR 31 AUGUST 2017

	Notes	2017	2016
		£000'S	£000'S
Cash flows from operating activities			
Net cash generated from / (used in) operating activities	20	620	527
Cash flows from investing activities	21	1	1
Capital grants form DfE / ESFA	22	66	34
Capital expenditure	22	(184)	(1,009)
Withdrawal from Investment fund	12	-	185
Change in cash a cash equivalents in the reporting period		503	(262)
Cash and cash equivalents at 1 September 2016		152	414
Cash and cash equivalents at 31 August 2017		655	152

BRADFORD ACADEMY TRUST

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 AUGUST 2017

1 General Information

Bradford Academy Trust is a Charitable Company (the Academy Trust) incorporated in England and Wales. The address and the Trusts principal place of business is given on page 2. The nature of the Academy Trusts operations are set out in the Trustees Report.

Statement of accounting policies

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

Basis of Accounting

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. Bradford Academy Trust meets the definition of a public benefit entity under FRS 102. The financial statements are presented in sterling which is also the functional currency of the Academy Trust. Monetary amounts in these financial statements are related to the nearest whole £1,000, except where otherwise indicated.

Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Recent years have seen expenditure levels over and above 'normal' levels in pursuit of the rectification of the sports hall floor and the case against Impact. The pending conclusion of the Sports Hall floor and the 'abatement' of the Impact case have led to in improvement in the forecasted outturn for the year to 31 August 2017.

Income

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

- **Grants (Government and other)**

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

General Annual Grant (GAG) is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

- **Sponsorship Income**

Sponsorship income provided to the Academy Trust, which amounts to a donation, is recognised in the Statement of Financial Activities in the period in which it is receivable, where the receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other Income**

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

BRADFORD ACADEMY TRUST

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 AUGUST 2017 (Continued)

- **Donated Services and Gifts in Kind**

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

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

These are costs incurred on the academy trust's educational operations to further its charitable aims for the benefit of its beneficiaries, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities. All resources expended are inclusive of irrecoverable VAT.

Investments

Wealth fund investments of £833,000 are initially measured at cost and subsequently measured at fair value at the balance sheet date. The resulting movements on the unrealised valuation surplus/deficit are included as a movement of funds to update in the Statements of Financial Activities.

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost of value of the asset can be measured reliably. Tangible fixed assets are carried at cost £22,530,000, net of depreciation and any provision for impairment. All other costs of repairs and maintenance are charged to the SOFA as incurred.

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

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

• Freehold buildings	2% straight line
• Freehold land	not depreciated
• Leasehold land	0.8% straight line
• Furniture and equipment	20% reducing balance
• ICT equipment	33% reducing balance
• Motor vehicles	20% reducing balance

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

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

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

BRADFORD ACADEMY TRUST

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 AUGUST 2017 (Continued)

Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised as a financing cost in the period it arises in the SOFA and is allocated to the appropriate expenditure heading.

Leased Assets

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

Financial Instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

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

Taxation

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

Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the West Yorkshire Pension Fund ('WYPF'), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. As stated in note 27, the TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between the contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The WYPF is a funded scheme and the assets are held separately. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each reporting date. The amounts charged to net income are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other comprehensive income. Actuarial gains and losses are recognised immediately in other comprehensive income.

BRADFORD ACADEMY TRUST

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 AUGUST 2017 (Continued)

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received, which are to be applied for restricted fund activity including pensions imposed by the funder/ donor and include grants from the Education and Skills Funding Agency.

Agency Arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 29.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property plant and equipment, and the accounting policies for the useful economic lives for each class of assets.

Defined benefit pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Academy Trust was subject to limits at 31 August 2017 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes with any balance being available for capital / premises purposes.

The Academy Trust has not exceeded these limits during the year ended 31 August 2017.

BRADFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (Continued)

3 Donations and capital grants

	Unrestricted funds £000'S	Restricted fixed asset Funds £000'S	Total 2017 £000'S	Total 2016 £000'S
Capital grants	-	928	928	34
	-	928	928	34

The income from donations and capital grants in 2016 was £34k all of which was restricted fixed asset funds.

4 Funding for academy's educational operations

	Unrestricted funds £000'S	Restricted general funds £000'S	Total 2017 £000'S	Total 2016 £000'S
DfE / ESFA revenue grants				
General Annual Grant (GAG)	-	11,306	11,306	10,348
Start Up Grants	-	-	-	30
Other DfE / ESFA grants	-	886	886	853
	-	12,192	12,192	11,231
Other Government grants				
Local authority grants	-	596	596	515
	-	596	596	515
Other income from the academy trusts educational Operations				
Catering income	238	-	238	214
	238	12,788	13,026	11,960

The income from academy's educational operations in 2016 was £11,960k of which £214k was unrestricted and £11,746k were restricted general funds.

5 Other trading activities

	Unrestricted funds £000'S	Restricted general funds £000'S	Total 2017 £000'S	Total 2016 £000'S
Hire of facilities	153	-	153	126
Other income	143	-	143	274
Recovery of Costs from BAM	420	-	420	-
	716	-	716	400

The income from other trading activities in 2016 was £400k all of which was unrestricted funds.

BRADFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (Continued)

6 Investment Income

	Unrestricted funds	Restricted general funds	Total 2017	Total 2016
	£000'S	£000'S	£000'S	£000'S
Interest from short term deposits	1	-	1	1
	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>

The investment income in 2016 was £1k all of which was unrestricted funds.

7 Expenditure

	Staff costs	Non-pay expenditure		Total 2017	Total 2016
	£000'S	Premises £000'S	Other costs £000'S	£000'S	£000'S
Expenditure on raising funds	-	-	37	37	33
Academy's educational operations:					
Direct costs	8,121	477	2,193	10,790	9,672
Allocated Support Costs	<u>2,318</u>	<u>152</u>	<u>871</u>	<u>3,341</u>	<u>3,695</u>
Total Support Costs	<u>10,439</u>	<u>629</u>	<u>3,101</u>	<u>14,168</u>	<u>13,400</u>

The expenditure was £14,168k (2016: £13,400k) of which £37k (2016: 33k) was unrestricted funds, £735k (2016: £729k) was restricted fixed asset funds and £13,396k (12,637k) was restricted general funds.

Net income/(expenditure) for the period includes:	2017 £000'S	2016 £000'S
Operating lease rentals	18	18
Depreciation	735	729
Net interest on defined benefit pension liability	77	50
Exceptional costs incurred on BAM and Impact disputes	100	244
Fees payable to auditor and its associates in respect of		
- audit	18	19
- other fees & services	1	1
Profit / loss on disposals	33	-

BRADFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (Continued)

8	Charitable Activities	Total 2017 £000'S	Total 2016 £000'S
	Direct costs - educational operations	10,790	9,704
	Support costs - educational operations	3,341	3,695
	Total Direct and Support Costs	14,131	13,399
	Analysis of support costs	Total 2017 £000'S	Total 2016 £000'S
	Support staff costs	1,787	2,422
	Depreciation	133	161
	Technology costs	167	197
	Premises costs	152	141
	Other support costs	964	386
	Governance Costs	138	388
		3,341	3,695
9	Staff	Total 2017 £000'S	Total 2016 £000'S
	a. Staff costs		
	Staff costs during the period were:		
	Wages and salaries	7,653	7,553
	Social security costs	708	834
	Pension costs	1,385	1,190
	Total staff costs	9,746	9,577
	Supply teacher costs	678	643
	Staff restructuring: Severance costs	15	42
		10,439	10,262

BRADFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (Continued)

9 Staff (Continued)

b. Non statutory/ non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/ non contractual severance payments totalling £15,000 (2016: £27,000). Individual payments totalled £15,000.

c. Staff numbers

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

	2017	2016
	No.	No.
Teaching	115	115
Administration and support	189	199
Management	6	9
	<u>310</u>	<u>323</u>

d. Higher paid staff

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

	2017	2016
	No.	No.
£60,000 - £70,000	5	6
£70,001 - £80,000	1	1
£80,001 - £90,001	-	2
£90,000 - £100,000	-	1
£100,000 - £110,000	2	1
£110,000 - £120,000	-	-
£150,001 - £160,000	-	1
	<u>8</u>	<u>12</u>

Employers pensions are paid to salaried staff, either into the Teachers' pension fund or the Local government pension scheme.

e. Key Management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by key management personnel for their services to the academy trust was £519,000 (2016: £667,000).

BRADFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (Continued)

10 Related Party Transactions - Trustees' remuneration and expenses

One or more trustees have been paid remuneration or have received other benefits from an employment with the Academy Trust. The principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

T. Hashmi (Principal and Trustee)

Remuneration £100,000 - £110,000 (2016: £80,000 - £90,000)

Employers TPA pension contributions £15,000 - £20,000 (2016: £10,000 - £15,000)

G. Dawkins (Principal and Trustee)

Remuneration £25,000 - £30,000 (2016: £150,000 - £160,000)

Employers TPA pension contributions £4,000 - £5,000 (2016: £20,000 - £25,000)

A. Justice (Staff Trustee)

Remuneration £30,000 - £35,000 (2016: £30,000 - £35,000)

Employers TPA pension contributions £0 - £5,000 (2016: £0 - £5,000)

R. Taylor (School Chaplain and Trustee)

Remuneration £35,000 - £40,000 (2016: £35,000 - £40,000)

Employers LGPS pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000)

S. Walker (Staff Trustee)

Remuneration £50,000 - £60,000 (2016: £50,000 - £60,000)

Employers pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000)

During the year ended 31 August 2017, travel and subsistence expenses totalling £5,567 were reimbursed to 5 governors (2016 - £13,173, to 5 governors).

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

11 Trustees' 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 Trusts business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2017 was £2,340 (2016: £2,340). The cost of this insurance is included in the total insurance cost.

12 Investments

	UK quoted investments	UK quoted investments
	£'000	£'000
Valuation at 1 September 2016	773	885
Withdrawals	-	(185)
Unrealised gain	60	73
Valuation at 31 August 2017	833	773

BRADFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (Continued)

13 Tangible Fixed Assets

	Freehold land and buildings	Leasehold land and buildings	Vehicles	Furniture and equipment	Computer equipment and software	Total
	£000'S	£000'S	£000'S	£000'S	£000'S	£000'S
Cost:						
At 1 September 2016	25,920	60	76	1,584	2,829	30,468
Additions	66	-	-	45	74	184
Disposals	-	-	-	(100)	(151)	(251)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2017	25,985	60	76	1,529	2,751	30,402
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation:						
At 1 September 2016	3,750	4	56	1,124	2,426	7,359
Charge for year	515	-	1	89	129	735
Write-down	-	-	-	(86)	(137)	(223)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2017	4,266	5	57	1,127	2,419	7,872
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying Amount						
At 31 August 2017	21,721	55	19	402	333	22,530
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2016	22,169	56	26	460	403	23,114
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Included within Freehold land and buildings is £30k of assets in the course of construction, which have not been depreciated in the year.

BRADFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (Continued)

14 Debtors

	2017	2016
	£000'S	£000'S
Trade debtors	15	43
VAT Recoverable	156	130
Other debtors	6	5
Prepayments and Accrued Income	1,117	172
	<u>1,295</u>	<u>350</u>

15 Creditors: amounts falling due within one year

	2017	2016
	£000'S	£000'S
Trade Creditors	543	688
Other taxation and social security	170	196
Other Creditors	69	-
Accruals and deferred income	203	232
	<u>985</u>	<u>1,116</u>

Deferred Income

	2017	2016
	£000'S	£000'S
Deferred Income at 1 September 2016	74	70
Resources deferred in the year	18	74
Released from previous years	(74)	(70)
	<u>18</u>	<u>74</u>

At the balance sheet date the Academy Trust was holding funds received in advance for 2017/18 grants and lettings booked for autumn term 2017.

16 Financial Instruments

The Academy Trust has the following financial instruments:

	2017	2016
	£000'S	£000'S
Financial assets		
Financial assets measure at fair value through profit or loss	833	773
Debt instruments measured at amortised cost	21	47
	<u></u>	<u></u>
Financial liabilities		
Financial liabilities measure at amortised cost	854	820
	<u></u>	<u></u>

BRADFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (Continued)

17 FUNDS

The income funds of the Academy comprise the following balances of grants to be applied for specific purposes.

	Balance at 1 September 2016	Income	Expenditure	Gains / losses and transfers	Balance at 31 August 2017
	£000'S	£000'S	£000'S	£000'S	£000'S
Restricted General Funds:					
General annual grant (GAG)	(1,931)	11,306	(11,421)	2,046	-
Other DfE funds	-	1,481	(1,481)	-	-
Pension reserve	(4,006)	-	-	1,444	(2,562)
	<u>(5,937)</u>	<u>12,788</u>	<u>(12,903)</u>	<u>3,490</u>	<u>(2,562)</u>
Restricted Fixed Asset Funds:					
DfE/ESFA capital grants	14,585	928	(735)	-	14,778
Capital expenditure from GAG	3,584	-	-	-	3,584
Public sector capital sponsorship	4,945	-	-	-	4,945
	<u>23,114</u>	<u>928</u>	<u>(735)</u>	<u>-</u>	<u>23,307</u>
Total Restricted funds	<u>17,177</u>	<u>13,716</u>	<u>(13,638)</u>	<u>3,490</u>	<u>20,745</u>
Total Unrestricted funds	<u>2,090</u>	<u>1,015</u>	<u>(37)</u>	<u>(2,046)</u>	<u>1,021</u>
Total Funds	<u>19,267</u>	<u>14,730</u>	<u>(13,675)</u>	<u>1,444</u>	<u>21,766</u>

BRADFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (Continued)

17 FUNDS (continued)

	Balance at 1 September 2015	Income	Expenditure	Gains / losses and transfers	Balance at 31 August 2016
	£000'S	£000'S	£000'S	£000'S	£000'S
Restricted General Funds:					
General annual grant (GAG)	(271)	10,348	(11,033)	(975)	(1,931)
Other DfE funds	-	1,398	(1,398)	-	-
Pension reserve	(1,448)	-	(206)	(2,352)	(4,006)
	<u>(1,719)</u>	<u>11,746</u>	<u>(12,637)</u>	<u>(3,327)</u>	<u>(5,937)</u>
Restricted Fixed Asset Funds:					
DfE/ESFA capital grants	15,280	34	(729)	-	14,585
Capital expenditure from GAG	2,609	-	-	975	3,584
Public sector capital sponsorship	4,945	-	-	-	4,945
	<u>22,834</u>	<u>34</u>	<u>(729)</u>	<u>975</u>	<u>23,114</u>
Total Restricted funds	<u>21,115</u>	<u>11,780</u>	<u>(13,366)</u>	<u>(2,352)</u>	<u>17,177</u>
Total Unrestricted funds	<u>1,435</u>	<u>615</u>	<u>(33)</u>	<u>73</u>	<u>2,090</u>
Total Funds	<u>22,550</u>	<u>12,395</u>	<u>(13,399)</u>	<u>(2,279)</u>	<u>19,267</u>

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

Restricted general funds have been spent in line with the terms of the master funding agreement. General annual grant funds are neutral (£0k); 2016: (£1,931k). The strategic review to reduce staff costs alongside the anticipated recovery of costs from BAM has added significant sums back to reserves.

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

The restricted pension fund is in deficit to the value of £2.562m as at 31 August 2017. However, this deficit has been inherited on conversion to Academy status. Whilst the value is significant it is underwritten by the government.

The restricted fixed asset fund represents fixed assets funded by the ESFA and the Local Authority.

BRADFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (Continued)

18 Analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	2017 Total Funds	2016 Total Funds
	£000'S	£000'S	£000'S	£000'S	£000'S
Tangible fixed assets	-	-	22,530	22,530	23,114
Investments	-	833		833	773
Current assets	1,021	152	777	1,950	502
Current liabilities	-	(985)	-	(985)	(1,116)
Pension Scheme liability	-	(2,562)	-	(2,562)	(4,006)
Total net assets at 31 August 2017	1,021	(2,562)	23,307	21,766	19,267

19 Commitments under operating leases

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017	Restated 2016
	£000'S	£000'S
Amounts due with one year	18	18
Amounts due between one and five years	14	18
	32	36

Note: Prior year Operating lease value for amounts due between one and five years has been restated to the updated figure.

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

	2017 £000'S	2016 £000'S
Net income / (expenditure) for the reporting period	502	(1,004)
Adjusted for:		
Depreciation [note 13]	735	729
Capital grants from DfE and other capital income	(928)	(34)
Profit / loss on disposal	33	-
Interest receivable [note 6]	(1)	(1)
Defined benefit pension scheme cost less contributions payable [note 27]	416	156
Defined benefit pension scheme finance cost [note 27]	77	50
(Increase)/decrease in debtors	(83)	598
(Decrease)/increase in creditors	(131)	33
Net cash (used in) / generated from operating activities	620	527

BRADFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (Continued)

21 Cash flow from investing activities

	2017	2016
	£000'S	£000'S
Interest received	1	1
	<u>1</u>	<u>1</u>

22 Capital expenditure

	2017	2016
	£000'S	£000'S
Purchase of tangible fixed assets	(184)	(1,009)
Capital grants form DfE	928	34
	<u>744</u>	<u>(975)</u>

Net cash outflow from capital expenditure and financial investment

23 Guarantees, Letters of Comfort and Indemnities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a government capital grant was received, the Academy is required to re-invest the proceeds or to repay the State the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the State.

24 Contingent Liabilities

At the time of writing there are no contingent liabilities.

25 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.

26 Capital Commitments

Bradford Academy has successfully bid for the government Capital Improvement Fund (CIF) and will receive £895k to fund the project. The development of an alternative learning space will provide an additional 375sqm of space for our most vulnerable learners. Work is expected to commence in December 2017 and complete by March 2018.

BRADFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (Continued)

27 Pension and similar obligations

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

The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2016.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The employer's pension costs paid to the TPS in the period amounted to £687,144 (2016: £728,659).

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

Under the definitions set out in FRS 102, 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.

BRADFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (Continued)

27 Pension and similar obligations (continued)

The 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 2017 £402,844 (2016: £430,395) of which employers totalled £275,598 (2016: £289,069) and employees' £127,246 (2016: £141,325). The agreed contribution rate for future years are 13.3% for employers and a variable rate between 5.5% and 12.5% for employees. Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal Actuarial assumptions

The following information is based upon a full valuation of the fund at 31 March 2013 updated to 31 August 2017 by a qualified independent actuary.

	At 31 August 2017	At 31 August 2016
Rate of increase in salaries	3.25%	3.40%
Rate of increase for pensions in payment / inflation	2.00%	1.90%
Discount rate for scheme liabilities	2.50%	2.00%
Inflation assumption (CPI)	2.00%	1.90%
Commutation of pensions to lump sums	75.00%	75.00%

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

	At 31 August 2017	At 31 August 2016
Retiring today		
Males	22.1	22.7
Females	25.2	25.6
Retiring in 20 years		
Males	23.0	24.9
Females	27.0	28.0

Sensitivity analysis

	At 31 August 2017 £000s	At 31 August 2016 £000s
Discount rate +0.1%	8,507	9,152
Discount rate -0.1%	8,924	9,593
Mortality assumption - 1 year increase	8,997	9,667
Mortality assumption - 1 year decrease	8,450	9,075
Salary rate +0.1%	8,772	9,445
Salary rate -0.1%	8,654	9,296

The academy's share of the assets in the scheme were:

	Fair value at 31 August 2017 £000s	Fair value at 31 August 2016 £000s
Equity instruments	5,044	4,280
Debt instruments	830	826
Property	277	257
Total fair value of assets	6,151	5,364

The actual return on scheme assets was £501,000 (2016: £825,000).

BRADFORD ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (Continued)

27 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2017	2016
	£000s	£000s
Current service cost	710	446
Interest Income	110	216
Net interest cost	187	166
Total operating charge	787	828

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

	2017	2016
	£000s	£000s
At 1 September 2016	9,370	5,655
Current service cost	710	446
Interest cost	187	216
Employee contributions	142	141
Actuarial (gain)/losses	(1,546)	3,011
Benefits paid	(150)	(99)
At 31 August 2017	8,713	9,370

Changes in the fair value of academy's share of scheme assets:

	2017	2016
	£000s	£000s
At 1 September 2016	5,364	4,207
Return on plan assets (excluding net interest on the net defined pension liability)	110	166
Actuarial gain	391	659
Employer contributions	294	290
Employee contributions	142	141
Benefits paid	(150)	(99)
At 31 August 2017	6,151	5,364

BRADFORD ACADEMY TRUST

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 AUGUST 2017

28 Related party transactions

No related party transaction or events took place during the year. The other related party transactions were certain Trustees' remuneration and expenses already disclosed in note 10.

29 Agency Arrangements

The Academy Trust administers the distribution of the new discretionary support for learners, 16-19 Bursary funds, on bursary funds, as arranged for by the ESFA. In the year it received £67k (2016: £58k) and dispersed all to our learners, any remaining funds are included in creditors. The funds are administered wholly and exclusively for the 6th formers, particularly Looked After Children and hard to reach learners.

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

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 8 August 2017 and further to the requirements of the Education and Skills Funding Agency ("ESFA") as included in the Academies Accounts Direction 2016 to 2017, to obtain limited assurance about whether the expenditure disbursed and income received by Bradford Academy Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2016 to 2017 Part 9: Regularity Reporting. We are independent of Bradford Academy Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of Bradford Academy Trust's accounting officer and Trustees

The accounting officer is responsible, under the requirements of Bradford Academy Trust's funding agreement with the Secretary of State for Education dated 13 June 2007 and the Academies Financial Handbook, extant from 1 September 2016, 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. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Bradford Academy Trust and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

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 2016 to 2017.

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 the procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

Academies Financial Handbook 2016 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2016 to 2017.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

This report is made solely to Bradford Academy Trust and the ESFA in accordance with the terms of our engagement letter dated 8 August 2017. Our work has been undertaken so that we might state to the Bradford Academy Trust and the ESFA 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 Bradford Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RSM UK Audit LLP

RSM UK Audit LLP
Chartered accountants
Two Humber Quays
Wellington Street West
Hull
HU1 2BN

Dated: *12/12/2017*