Bradford Academy Trust

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended
31 August 2016

Company Registration No. 05508735

Contents

Members	The Board of Trustees and Directors
The Secretary of State The Diocese of Leeds The Chair of Trustees	Howard Astin (Chair of Trustees) Manojkumar Joshi (Vice Chair) Zubair Ayub (Appointed 01/01/2016 Resigned 02/08/2016) Jayne Clarke Phillip Crowe (Resigned 31/8/2016) Gareth Dawkins (Principal and Accounting Officer to 23/10/2016) Jan De Villiers Stephen Herndlhofer Stuart Herrington (Resigned 01/01/2016) Alison Justice (Appointed 01/01/2016) Michelle Neale Bridget Pearson Malcolm Sykes (Resigned 06/05/2016) Steve Walker (Appointed 01/01/2016) Rob Taylor
Company Secretary	Andrew Blake (Acting Accounting Officer from 24/10/2016)
Senior Executive Team:	
Principal	Gareth Dawkins (Principal to 23/10/2016)
Vice Principal	Bernie Addison
Vice Principal	Jayne Clarke
Vice Principal	Tehmina Hashmi
Finance Director	Andrew Blake (Acting Accounting Officer)
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 2015 to 31 August 2016. 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 nursery age to post-16 serving a catchment area in South Bradford. It has a pupil capacity of 1,560 and has a predicted roll of 2,099 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. 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. Due to the untimely death of Gareth Dawkins, Andrew Blake will be the acting Accounting Officer referred to in the remainder of the report.

Details of the Trustees who served throughout the year except as noted 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

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

Method of Recruitment and Appointment or Election of Trustees

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

The membership of the main governing body is in accordance with the structure contained within its Memorandum and Articles of Association. Trustees have a breadth of skills, which are beneficial to the various sub-committees that support the governing body. Howard Astin is the 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 also 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 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. Key management personnel are remunerated based on the Teachers' Leadership pay spines with agreed ranges determined by job weight.

Connected Organisations including Related Party Relationships

Bradford Academy Trust does not transact with any connected organisations, which would have a direct influence on operating policies and procedures. The Trust is a member of the Bradford Partnership, an organisational collaboration amongst Bradford Secondary Schools providing peer review to improve standards and performance. The Academy sponsor is West Yorkshire and the Dales Diocesan Board of Finance. The sponsor has no operating input. Management and strategy of the Academy is the responsibility of Bradford Academy Trustees and senior leadership team.

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.

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 organisational improvement:

- Assessment for learning;
- Raising achievement;
- No exclusion policy and 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 operations and procedural method and systems.

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.

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. Against a backdrop of an academically less able group, on entry to the academy, our Secondary school learners achieved 43% 5+ A* - C including Maths and English (2015 – 44%). New measures now include Progress 8 and Bradford Academy is at National average for this measure, a significant improvement when measured on this basis. Average point score and value added measures also improved compared to 2015. At post-16 the overall pass rate remained the same as 2015 at 96% with significant improvements in highest grade (A* B) achievers up to 25.8% compared with 22.6% last year.

Key Performance Indicators

In the year ended 31 August 2016 the total operating expenditure, excluding depreciation and pension adjustments, of £12.670m (2015: £12.143m) was not covered by grant funding, other incoming resources and unrealised gains on investments at £12.468m. Therefore, the excess of expenditure over income was £202,000, (2015: £582,000). The prior year result was significantly influenced by accounting for the receipt of CIF income.

At 31 August 2016, the net book value of tangible fixed assets was £23.114m (2015: £22.834m). 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. Investigations have proved negligence on behalf of the building who has currently made a without prejudice offer to pay some of the costs incurred. Our solicitor's advice is for a more substantial recovery of those costs, which if successful will have a considerable impact on liquidity and reserve levels in the future. It is anticipated this should occur within the next two financial years.

With a plan for 1,861 learners onsite during the year the staffing establishment expanded to cope with the continued expansion of the academy with the Primary phase moving up to year 5. Staffing now numbers over 300 with approximately 125 teaching staff onsite.

With concerns about the development of the Primary phase an NLE (National Leader in Education) was recruited to reset the agenda to improve standards. This investment has proved beneficial with improvement being shown on most performance indicators in the Primary School.

Similarly, the post-16 phase had shown a dip in performance resulting in the commissioning of an outstanding post-16 partner (Pontefract) to review and assist in resetting best practice. Initial results are promising.

Attendance continues to be at national average despite the significant levels of deprivation in the learner cohort, the academies 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 £788k was used to add two classrooms, expand the catering facility and provide adequate dining space in the Primary phase. The project was completed in June 2016, the additional classrooms enabling the establishment of a two-year-old offer in the Primary phase to increase revenues and provide the Academy with a greater opportunity to determine the future outcomes for learners.

Bradford Academy still has pupil numbers far in excess of its designated number, however it is likely to reach capacity in 2016/17. The financial risk of stagnation or falling roles is exacerbated as funding rates per pupil are being reduced. The Academy has assessed the financial risk associated with funding changes and estimate an underlying £500k deficit movement due to funding cuts and cost inflation. As a result, a consultant has been commissioned to review all major costs. Current estimates for future periods are promising it that the required reductions in cost should be achieved.

As discussed in other incomes above the significant levels of expenditure committed for the sports hall dispute are now reducing. The unfortunate demise of Gareth Dawkins means a legal case against a company called Impact can no longer be pursued which will reduce the Academy's drain on cash resources.

The change in assessment of pension scheme liability has resulted in a 177% increase in the balance sheet value. It would suggest parity of treatment with Teachers pensions may be the best option to ensure the future of academies.

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 is on hand in cash form at any point in time. Cash is monitored on a daily basis.

Total funds value at 31 August 2016 are £19,267k compared to 2015: £22,550k.

The revaluation of the pension reserve has placed restricted general reserves in significant deficit; 2016: (£5,937k); 2015: (£1,719k). Excluding the pension deficit restricted and unrestricted reserves show a surplus of £159k. The strategic review to reduce staff costs alongside the anticipated recovery of costs from BAM will add 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 key personnel is also a short term risk to the Academy. Investment in people to develop potential successors is a key feature of the Academy's development.

The 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 Academy Primary school as part of the wider All-Through continues with the final 2-form entry year added in 2016/17. The Academy has also established a 2-year-old offer and is reviewing the possibility of offering the 30-hour as opposed to 15-hour provision. Bradford Academy has also contracted with VLUK to deliver further post -16 provision. An initial 200 students have been contacted beginning Autumn 2016 with the potential to grow to 500 depending on future funding and service provision arrangements. The Academy has plans to deal with the expected further reductions in funding streams by reducing its overall cost base. A review of the scope of curriculum and the support required to deliver it has already yielded planned savings, coupled with the consultation review of associate staffing, should yield the savings required.

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.

Approved by order of the Governing Board at its meeting on 21 December 2016 and signed on its behalf by:

Howard Astin
Chair

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 2016 the Governing Body had delegated the day-to-day responsibility to Gareth Dawkins, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Bradford Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

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. To this end our lettings activities are designed to make access to sport affordable and encourage excellence through partnerships with local institutions such as Bradford Bulls for Rugby and the National League for Netball. Work with local youth provider such as West Bowling and Emerge enable continued support for our learners in the local community. The establishment of a Community Interest Company to establish a Nursery in the community has volunteers drawn from our leadership team.

GOVERNANCE

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

Governor	Meetings attended	Out of a possible
Howard Astin (Chairman)	5	5
Manojkumar Joshi (Vice Chair)	2	5
Zubair Ayub	2	3
Andrew Blake (ex officio and Acting Account Officer)	5	5
Jayne Clarke	4	5
Phillip Crowe	1	5
Gareth Dawkins (Principal and Accounting Officer)	5	5
Tehmina Hashmi (ex-officio)	4	5
Stephen Herndlhofer	1	5
Stuart Herrington	-	1
Alison Justice	2	2
Tracy McNamara	1	1
Michelle Neale	2	3
Bridget Pearson	4	5
Malcolm Sykes	1	2
Rob Taylor	3	3
Jan de Villiers	4	5
Steve Walker	2	2

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

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:

Governor	Meetings attended	Out of a possible
Manojkumar Joshi (Chair of Finance)	3	4
Howard Astin (Chair of Trustees)	4	4
Gary Bandy (Responsible Officer)	1	4
Andrew Blake (Finance Director and Acting Accounting Officer)	4	4
Gareth Dawkins (Principal and Accounting Officer)	3	4
Terry Morton (ex-officio)	4	4
Malcolm Sykes	1	3
Rob Taylor	4	4
Steve Walker	3	3

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:

- Further improving the learning and social environment for learners through the development of additional classroom, a better dining experience and support for the catering function. In-house project management proved to be the most efficient, effective and economic method of delivering the project.
- Investment in behaviour management has enabled greater control of learners with challenging circumstances whilst enabling the remaining learners to have a greater focus on their learning. This was evident in outcomes where the value added measures continue to improve.
- Collaboration with external agencies has led to a refocussing of our 6th form offer. Coupled with a strong marketing campaign and the provision of a dedicated work area, the numbers preferring Bradford Academy has improved on the previous year.
- A strategic review of staffing structures and loads has been undertaken in anticipation of future funding cuts in education.

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 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

THE RISK AND CONTROL FRAMEWORK

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the 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, Andrew Blake 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 Governing Body on 21 December 2016 and signed on its behalf by:

Howard Astin
Chair

Andrew Blake
Acting Accounting Officer

As Acting Accounting Officer of Bradford Academy Trust I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academy's Financial Handbook 2015.

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 2015.

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 EFA.

Signed

Andrew Blake
Acting Accounting Officer

Date: 21 December 2016

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;
- 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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the governing body on 21 December 2016 and signed on its behalf by:

Howard Astin
Chair

We have audited the financial statements of Bradford Academy Trust for the year ended 31 August 2016 on pages 15 to 35. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and the Academies: Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditor
As explained more fully in the Statement of Trustees' Responsibilities set out on page 13, the trustees (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006
In our opinion the information given in the Trustees' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Richard

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
Date 21/12/2016

BRADFORD ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2016

(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

	Notes	Unrestricted funds £000'S	Restricted general funds £000'S	Restricted fixed asset funds £000'S	**Total 2016 £000'S**	Total 2015 £000'S
Income and endowments from:						
Donations and Capital Grants	3	-	-	34	**34**	820
Funding for the academy's educational activities	4	214	11,746	-	**11,960**	11,698
Other trading activities	5	400	-	-	**400**	252
Investments	6	1	-	-	**1**	1
Total		615	11,746	34	**12,395**	12,771
Expenditure on:						
Raising funds		33	-	-	**33**	139
Charitable activities:						
Academy trust educational operations	7	-	12,637	729	**13,366**	12,971
Total	7	33	12,637	729	**13,399**	13,110
Net expenditure		582	(891)	(695)	**(1,004)**	(339)
Transfer between funds		-	(975)	975	**-**	-
Other recognised gains/(losses)						
Re-measurement of net defined benefit pension obligation	26	-	(2,352)	-	**(2,352)**	176
Unrealised gain/(loss) on investments	12	73	-	-	**73**	(21)
Net movement in funds		655	(4,218)	280	**(3,283)**	(184)
Reconciliation of funds						
Total funds brought forward at 1 September 2015		1,435	(1,719)	22,834	**22,550**	22,734
Total funds carried forward at 31 August 2016	17	2,090	(5,937)	23,114	**19,267**	22,550

BRADFORD ACADEMY TRUST

BALANCE SHEET AS AT 31 AUGUST 2016 **Company Number 05508735**

	Notes	2016 £000'S	2016 £000'S	2015 £000'S	2015 £000'S
Fixed Assets					
Tangible assets	13		23,114		22,834
Investments	12		773		885
Current assets					
Debtors	14	350		948	
Cash at bank and in hand		152		414	
		502		1,362	
Liabilities					
Creditors: amounts falling due within one year	15	(1,116)		(1,083)	
Net current (liabilities) / assets			(614)		279
Total assets less current liabilities			23,273		23,998
Defined benefit pension scheme liability	26		(4,006)		(1,448)
Total Net Assets			19,267		22,550
Funds of the Academy Trust					
Restricted funds					
Fixed assets fund(s)	17		23,114		22,834
General income fund(s)	17		(1,931)		(271)
Pension Reserve	17		(4,006)		(1,448)
Total Restricted funds			17,177		21,115
Total Unrestricted fund			2,090		1,435
Total Funds			19,267		22,550

The financial statements on pages 15 to 35 were approved by the Trustees and authorised for issue on 21 December 2016 and are signed on their behalf by:

Howard Astin
Chair

BRADFORD ACADEMY TRUST

STATEMENT OF CASH FLOW FOR THE YEAR 31 AUGUST 2016

	Notes	2016	2015
		£000'S	£000'S
Cash flows from operating activities			
Net cash generated from / (used in) operating activities	20	**527**	(151)
Cash flows from investing activities	21	**1**	1
Capital expenditure	22	**(975)**	63
Investment fund withdrawal	12	**185**	-
Change in cash a cash equivalents in the reporting period		**(262)**	(87)
Cash and cash equivalents at 1 September 2015		**414**	501
Cash and cash equivalents at 31 August 2016		**152**	414

1 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 Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Bradford Academy Trust meets the definition of a public benefit entity under FRS 102.

First time adoption of FRS 102
These financial statements are the first financial statements of Bradford Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Bradford Academy for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 30.

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in reserves at the transition date.

The financial statements are presented in sterling, which is also the functional currency of the Academy Trust. Monetary amounts in these financial statements are rounded 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, certainty of receipt and the amount can be measures 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 year for which it is receivable and any unspent amount is reflected as a balance in restricted funds.

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

  Other grants from government agencies, 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 as receivable in the period.

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

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

- **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.

All resources expended are inclusive of irrecoverable VAT.

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

Tangible Fixed Assets

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

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

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

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until 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. There is no impairment recognised in the Statement of Financial Activities.

Financial Instruments

The Academy Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.
Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Academy Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets measured at fair value through the profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

A financial asset is derecognised only when the contractual rights to cash flows are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Agency Arrangements Accounting Policy

Where funds received are for the Academy acting in the capacity as an agent, no fee will be applicable. This usually applies to charitable donations and fund raising carried out by our learners. The only exception to this is to cover administrative costs incurred acting for the EFA in distributing 16-19 bursaries.

Provisions
Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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

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

Redundancy Policy
Bradford Academy redundancy policy adheres to statutory requirements and the provision of the Burgundy book for Teachers and the Local Authority Green Bool for Associate staff.

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

Fund Accounting

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

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

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

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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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 2016

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2016 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 2016.

3 Donations and capital grants

	Unrestricted funds	Restricted fixed asset Funds	Total 2016	Total 2015
	£000'S	£000'S	£000'S	£000'S
Capital grants	-	34	34	820
	-	34	34	820

The income from donations and capital grants in 2015 was £820k all of which was restricted fixed asset funds.

4 Funding for academy's educational operations

	Unrestricted funds	Restricted general funds	Total 2016	Total 2015
	£000'S	£000'S	£000'S	£000'S
DfE / EFA revenue grants				
General Annual Grant (GAG)	-	10,348	**10,348**	10,249
Start Up Grants	-	30	**30**	30
Other DfE / EFA grants	-	853	**853**	680
	-	11,231	**11,231**	10,959
Other Government grants				
Local authority grants	-	515	**515**	532
	-	515	**515**	532
Other income from the academy trusts educational Operations				
Catering income	214	-	**214**	207
	214	11,746	**11,960**	11,698

The income from academy's educational operations in 2015 was £11,698k of which £207k was unrestricted and £11,491k were restricted general funds.

5 Other trading activities

	Unrestricted funds	Restricted general funds	Total 2016	Total 2015
	£000'S	£000'S	£000'S	£000'S
Hire of facilities	126	-	**126**	100
Other income	274	-	**274**	152
	400	-	**400**	252

The income from other trading activities in 2015 was £252k all of which was unrestricted funds.

6 Investment Income

	Unrestricted funds	Restricted general funds	Total 2016	Total 2015
	£000'S	£000'S	£000'S	£000'S
Interest from short term deposits	1	-	**1**	1
	1	-	**1**	1

The investment income in 2015 was £1k all of which was unrestricted funds.

7 Expenditure

	Staff costs	Non-pay expenditure Premises	Other costs	Total 2016	Total 2015
	£000'S	£000'S	£000'S	£000'S	£000'S
Expenditure on raising funds	-	-	33	33	139
Academy's educational operations:					
Direct costs	7,840	496	1,335	9,672	9,290
Allocated Support Costs	2,422	141	1,132	3,695	3,681
Total Support Costs	10,262	637	2,500	13,399	13,110

The expenditure was £13,399k (2015: £13,110k) of which £33k (2015:139k) was unrestricted funds, £729k (2015: £809k) was restricted fixed asset funds and £12,637k (12,162k) was restricted general funds.

Net income/(expenditure) for the period includes:	2016	2015
	£000'S	£000'S
Operating lease rentals	18	28
Depreciation	729	809
Net interest on defined benefit pension liability	50	46
Exceptional costs incurred on BAM and Impact disputes	244	176
Fees payable to auditor and its associates in respect of		
- audit	19	16
- other fees & services	1	1
Gifts	1	1

8 Charitable Activities

	Total 2016	Total 2015
	£000'S	£000'S
Direct costs - educational operations	9,704	9,429
Support costs - educational operations	3,695	3,681
Total Direct and Support Costs	13,399	13,110

Analysis of support costs	Total 2016 £000'S	Total 2015 £000'S
Support staff costs	2,422	2,502
Depreciation	161	195
Technology costs	197	203
Premises costs	141	188
Other support costs	386	536
Governance Costs	388	57
	3,695	3,681

For notes 7 and 8 changes to reporting structures outlined in the Academies Accounts Direction 2015/2016, have been made to 2016 figures and 2015 comparatives have adjusted to report on the same basis with all direct learner facing activities allocated to direct costs.

9 Staff

	Total 2016	Total 2015
a. Staff costs	**£000'S**	**£000'S**
Staff costs during the period were:		
Wages and salaries	7,553	7,688
Social security costs	834	557
Pension costs	1,190	1,067
Total staff Costs	9,557	9,312
Supply teacher costs	643	513
Staff restructuring:		
Severance costs	27	-
Redundancy	15	4
	10,262	9,829

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non contractual severance payments totalling £27,000 (2015: £nil). Individually the payments were £17,000 and £10,000.

c. Staff numbers

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

	2016	2015
	No.	No.
Teaching	115	110
Administration and support	199	202
Management	9	11
	323	323

9 Staff (Continued)

d. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,0000 was:

	2016	2015
	No.	No.
£60,000 - £70,000	**6**	3
£70,001 - £80,000	**1**	2
£80,001 - £90,001	**2**	1
£90,000 - £100,000	**1**	2
£100,000 - £110,000	**1**	-
£150,001 - £160,000	**1**	1
	12	9

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) received by key management personnel for their services to the academy trust was £667,000 (2015: £705,000).

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:
G. Dawkins (Principal and Governor)
Remuneration £154,840 (2015: £154,377)
Employers TPA pension contributions £24,722 (2015: £20,942)
J. Clarke (Staff Governor)
Remuneration £90,000 - £95,000 (2015: £35,000 - £40,000)
Employers TPA pension contributions £15,000 - £20,000 (2015: £0 - £5,000)
S. Walker (Staff Governor)
Remuneration £50,000 - £55,000 (2015: £45,000 - £50,000)
Employers LGPS pension contributions £5,000 - £10,000) (2015: £5,000 - £10,000)
R. Taylor (School Chaplain and Governor)
Remuneration £40,000 - £45,000 (2015: £30,000 - £35,000)
Employers pension contributions £5,000 - £10,000) (2015: £5,000 - £10,000)

During the year ended 31 August 2016, travel and subsistence expenses totalling £13,173 were reimbursed to 5 governors (2015 - £4,443, to 3 governors).
Other related party transactions involving Bradford Academy employees were to supply human resources assistance when a new sponsor was being prepared for University Academy keighley. All charges were at cost (£13k) and concluded by June 2016.

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 2015 was £2,340 (2015: £2,760). 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 2015	**885**	1,056
Withdrawals	**(185)**	(150)
Unrealised gain / (loss)	**73**	(21)
Valuation at 31 August, 2016	**773**	885

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 2015	25,129	60	78	1,528	2,669	**29,464**
Additions	791	-	2	56	160	**1,009**
At 31 August 2016	25,920	60	81	1,584	2,829	**30,473**
Depreciation:						
At 1 September 2015	3,251	4	50	1,023	2,303	**6,630**
Charge for year	499	-	6	101	123	**729**
At 31 August 2016	3,750	4	56	1,124	2,426	**7,359**
Carrying Amount						
At 31 August 2016	**22,171**	**56**	**25**	**460**	**403**	**23,114**
At 31 August 2015	21,878	57	29	505	366	22,834

14 Debtors

	2016	2015
	£000'S	£000'S
Trade debtors	43	66
VAT Recoverable	130	156
Other debtors	5	193
Amounts Owed by Funding Body	-	377
Prepayments and Accrued Income	172	156
	350	948

15 Creditors: amounts falling due within one year

	2016	2015
	£000'S	£000'S
Trade Creditors	688	706
Other taxation and social security	196	174
Other Creditors	-	3
Accruals and deferred income	232	200
	1,116	1,083

Deferred Income

	2016	2015
	£000'S	£000'S
Deferred Income at 1 September 2015	70	121
Resources deferred in the year	74	70
Released from previous years	(70)	(121)
Deferred income at 31 August 2016	74	70

At the balance sheet date the academy trust was holding funds received in advance for 2016/17 grants and lettings booked for autumn term 2016.

16 Financial Instruments

The Academy Trust has the following financial instruments:

	2016	2015
	£000'S	£000'S
Financial assets		
Financial assets measure at fair value through profit or loss	773	885
Debt instruments measured at amortised cost	47	259
Financial liabilities		
Financial liabilities measure at amortised cost	846	839

17 FUNDS

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

	Balance at 1st 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)**
	(1,719)	11,746	(12,637)	(3,327)	**(5,937)**
Restricted Fixed Asset Funds:					
DfE/EFA 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**
	22,834	34	(729)	975	**23,114**
Total Restricted funds	21,115	11,780	(13,366)	(2,352)	**17,177**
Total Unrestricted funds	1,435	615	(33)	73	**2,090**
	1,435	615	(33)	73	**2,090**
Total Funds	22,550	12,395	(13,399)	(2,279)	**19,267**

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 in significant deficit (£1,931k); 2015: (£271k). The strategic review to reduce staff costs alongside the anticipated recovery of costs from BAM will add 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 £4m as at 31 August 2016. 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 EFA.

17 **Analysis of net assets between funds**

Fund balances at 31 August 2016 are represented by:

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	**Total Funds**
	£000'S	£000'S	£000'S	**£000'S**
Tangible fixed assets	-	-	23,114	**23,114**
Investments	-	773	-	**773**
Current assets	2,090	(1,588)	-	**502**
Current liabilities	-	(1,116)	-	**(1,116)**
Pension Scheme liability	-	(4,006)	-	**(4,006)**
Total net assets at 31 August 2016	2,090	(5,937)	23,114	**19,267**

19 **Commitments under operating leases**

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016	2015
	£000'S	£000'S
Amounts due with one year	**18**	28
Amounts due between one and five years	**90**	90
	108	118

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

	2016	2015
	£000'S	£000'S
Net expenditure for the reporting period	**(1,004)**	(339)
Adjusted for:		
Depreciation [note 13]	**729**	808
Capital grants from DfE and other capital income	**(34)**	(820)
Interest receivable [note 6]	**(1)**	(1)
Defined benefit pension scheme cost less contributions payable [note 26]	**156**	346
Defined benefit pension scheme finance cost [note 26]	**50**	46
(Increase)/decrease in debtors	**598**	(493)
Increase/(decrease) in creditors	**33**	302
Net cash generated from/ (used in) operating activities	**527**	(151)

21 Cash flow from investing activities

	2016	2015
	£000'S	£000'S
Interest received	1	1
	1	1

22 Capital expenditure

	2016	2015
	£000'S	£000'S
Purchase of tangible fixed assets	(1,009)	(757)
Capital grants form DfE	34	820
Net cash outflow from capital expenditure and financial investment	(975)	63

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 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 2013.

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 £728,659 (2015: £593,280).

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.

26 Pension and similar obligations (continued)

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 2016 £430,395 (2015: £415,287) of which employers totalled £289,069 (2015: £276,563) and employees' £141,325 (2015: £138,724). 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	**At 31 August 2016**	**At 31 August 2015**
Rate of increase in salaries	**3.40%**	3.50%
Rate of increase for pensions in payment / inflation	**1.90%**	2.00%
Discount rate for scheme liabilities	**2.00%**	3.80%
Inflation assumption (CPI)	**1.90%**	2.00%
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 2016	**At 31 August 2015**
Retiring today		
Males	**22.7**	22.6
Females	**25.6**	25.5
Retiring in 20 years		
Males	**24.9**	24.8
Females	**28.0**	27.8

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

	Fair value at 31 August 2016	**Fair value at 31 August 2015**
	£000s	**£000s**
Equity instruments	**4,280**	3,387
Debt instruments	**826**	631
Property	**257**	189
Total fair value of assets	**5,364**	4,207

The actual return on scheme assets was £825,000 (2015: £57,000).

26 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2016	2015
	£000s	£000s
Current service cost	446	496
Net interest cost	50	46
Total operating charge	496	542

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

	2016	2015
	£000s	£000s
At 1 September 2015	5,655	5,231
Current service cost	446	496
Interest cost	216	194
Employee contributions	141	150
Actuarial (gain)/losses	3,011	(267)
Benefits paid	(99)	(149)
At 31 August 2016	9,370	5,655

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

	2016	2015
	£000s	£000s
At 1 September 2015	4,207	3,849
Return on plan assets (excluding net interest on the net defined pension liability)	166	148
Actuarial gain/(loss)	659	(91)
Employer contributions	290	300
Employee contributions	141	150
Benefits paid	(99)	(149)
At 31 August 2016	5,364	4,207

27 Related party transactions

Related party transactions took place with University Academy Keighley (UAK). A few services were provided free of charge as there were seconded academy employees (charged at cost) at UAK. This occurred because Gareth Dawkins was Executive Principal, however when this role ceased UAK were charged at cost for all services provided. The other related party transactions were certain Trustees' remuneration and expenses already disclosed in note 10.

28 Events after the end of the reporting period

Sadly, at the time of writing, the Academy is having to come to terms with the untimely death of the Executive Principal, Gareth Dawkins. This represents a significant loss to Bradford Academy, for his drive, energy, clarity of direction, focus on people and most of all his desire to instil the academy ethos for all learners to be 'known, valued and understood.' Gareth began his tenure at Bradford in 2005 by overseeing the establishment of a new build sponsored academy at what was formerly known as the Bradford Cathedral Community College (BCCC). On being invited to London to discuss the existing school it was described to Gareth as being, "the worst predecessor school in the country." At that point Bradford Community Cathedral College had achieved 7% 5 A* to C including Maths and English. Within 3 years of opening Bradford Academy learners were achieving above national floor target and with a sixth form 5 times the size of that of BCCC, our learners gained places at university for the first time. For Gareth the belief that he could make a difference to improve peoples' lives regardless of their race, colour, creed, religious or economic background, was a fundamental driver for him. The loss of that integrity will be missed and no only by the people of Bradford.

29 Agency Arrangements

The Academy Trust administers the distribution of the new discretionary support for learners, 16-19 Bursary funds, on bursary funds, on behalf of the EFA. In the year it received £58k (2015: £56k) 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.

30 Adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

Reconciliation of net income/(expenditure)	**31st August 2015 £000**
Net income/(expenditure) previously reported under UK GAAP	(226)
Change in recognition of LGPS interest cost	(113)
Net expenditure reported under FRS 102	**(339)**
Re-measurement of net defined benefit pension obligation	176
Unrealised (loss) on investments	(21)
Net movement in funds reported under FRS 102	**(184)**

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the debit to income/expense by £113k and increase the debit in other recognised gains and losses in the SoFA by an equivalent amount.

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

In accordance with the terms of our engagement letter dated 19 November 2015 and further to the requirements of the Education Funding Agency ('EFA') as included in the Academies Accounts Direction 2015/16, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bradford Academy Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Bradford Academy Trust and the EFA in accordance with the terms of our engagement letter dated 19 November 2015. Our work has been undertaken so that we might state to the Bradford Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bradford Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Bradford Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Bradford Academy Trust's funding agreement with the Secretary of State for Education dated 30 November 2010 and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015/16. 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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015/16 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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