



Annual Report and Financial Statements for the Year Ended 31 August 2016

FOR

BECKFOOT TRUST
(a company limited by guarantee)

COMPANY REGISTERED NUMBER: 8155088
AND AN EXEMPT CHARITY

**BECKFOOT TRUST
INDEX TO THE FINANCIAL STATEMENTS**

REFERENCE AND ADMINISTRATIVE DETAILS	1
TRUSTEES' REPORT	2
GOVERNANCE STATEMENT	9
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE	12
STATEMENT OF TRUSTEES' RESPONSIBILITIES	13
INDEPENDENT AUDITOR'S REPORT	14
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY	16
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2016	18
BALANCE SHEET AS AT 31 AUGUST 2016.....	19
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2016.....	20
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016.....	21

REFERENCE AND ADMINISTRATIVE DETAILS

Members	J M C Cole J McKenzie (appointed 23/8/16) S Morrissey (resigned 26/8/16) H Wallace (appointed 23/8/16) N J Weller (appointed 23/8/16) N Whiteside (appointed 23/8/16) J Winkley
Trustees/Company Directors	S Ali C J Burland (Staff Trustee resigned 25/8/16) J M C Cole (resigned 24/7/16) P Hill D J Horn (CEO, Executive Head, Accounting Officer and Staff Trustee) M J Kelly R Lawrence J M Lee D Maybury (appointed 18/8/16) S Pierce (Hazelbeck Headteacher and Staff Trustee) C D Tebbutt (Operations and Finance Director, Principal Finance Officer and Staff Trustee) S K Tollervey J Winkley (Chair)
Company Secretary	Schofield Sweeney LLP
Senior Management Team	D J Horn Trust Executive Headteacher S Lambert Headteacher Beckfoot Allerton D J Horn Headteacher Beckfoot G C Halls Head of School Beckfoot S J Pierce Headteacher Hazelbeck School Z Mawson Headteacher Beckfoot Heaton Primary School D Maxwell Headteacher Beckfoot Oakbank R Browning Headteacher Beckfoot Thornton S Wade Headteacher Beckfoot Upper Heaton
Company Name	Beckfoot Trust
Principal and Registered Office	Wagon Lane, Bingley, Bradford West Yorkshire BD16 1EE
Company Registered Number	08155088 (England and Wales)
Independent Auditor	Saffery Champness Mitre House, North Park Road, Harrogate HG1 5RX
Bankers	Lloyds Bank PLC Hustlergate, PO Box 1000 BX1 1LT
Solicitors	Schofield Sweeney LLP Church Bank House, Church Bank, Bradford BD1 4DY

TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditor's reports 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.

During the year Beckfoot Trust consisted of the following academies:

Academy	Date Joined	Type
Beckfoot School	August 2013	Secondary School
Hazelbeck School	August 2013	Secondary Special School
Beckfoot Upper Heaton School	September 2015	Secondary School

The following schools have joined Beckfoot Trust since 31/8/16:

Academy	Date Joined	Type
Beckfoot Allerton	September 2016	Primary School
Beckfoot Oakbank	September 2016	Secondary School
Beckfoot Thornton	October 2016	Secondary School
Beckfoot Heaton	December 2016	Primary School

Structure, Governance and Management

Constitution

Beckfoot Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association dated 9 May 2013 are the primary governing documents of the Academy Trust. The Trustees of Beckfoot Trust are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as Beckfoot Trust. Details of the Trustees who served throughout the period are included in the Reference and Administrative details on page 1.

Members' Liability

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

Trustees' Indemnity Insurance

In accordance with normal commercial practice Beckfoot Trust has purchased indemnity insurance to protect Governors and Officers from claims occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £1,200.

Method of Recruitment and Appointment or Election of Trustees

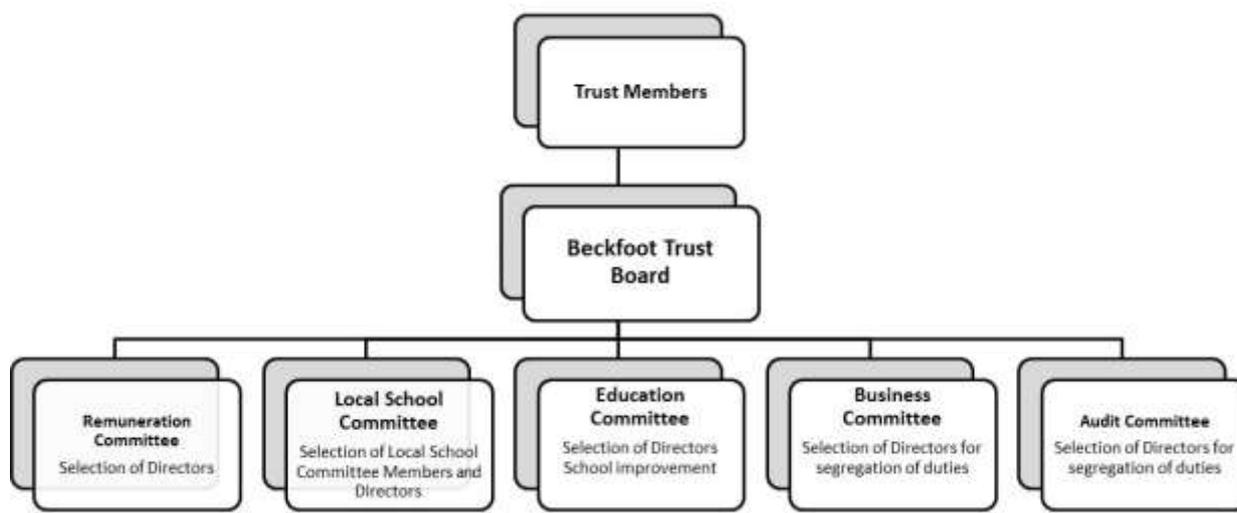
Up to a maximum of 8 directors may be appointed by the members of the charitable company, who are Trustees for the purposes of charity legislation. These Trustees may then co-opt further Trustees with no maximum number set. Two Trustees must be a parent of a registered pupil at one or more of the Schools. The total number of Trustees who are employees of the charitable company shall not exceed one third of the total number of Trustees. The term of office for a Trustee is currently four years and any director may be re-appointed. The Members may appoint Trustees through such process as they may determine.

Policies and Procedures Adopted for the Induction and Training of Trustees

New Trustees are inducted into the workings of the Trust, including policies and procedures, at arranged meetings with the Operations and Finance Director and the Chief Executive. The training and induction provided for new Trustees depends on their existing experience. Where appropriate, induction includes training on charity and educational, legal and financial matters (with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustee). Trustees are aware that a budget is available to support training needs on request.

Organisational Structure

The way in which the board of directors/Trustees receives advice and delegates responsibilities is described below.



The role of the Board is to ensure Beckfoot Trust is governed and managed so as to comply with requirements set out by the DfE, relevant companies and charities legislation as well as its own governing documents.

The Board is responsible for strategic and school improvement planning, financial and risk management, the appointment of auditors, senior staff appointments and remuneration. It prioritises:

- Setting the vision, ethos and strategic direction of the Trust and its schools
- Holding its headteachers to account
- Overseeing financial performance

The Education Committee has delegated responsibility for educational standards and improvement in all Trust Schools and specifically for delegating responsibility to the Local School Headteacher.

The Business Committee has delegated responsibility for financial planning and management, human resources and estates management in all Trust Schools and specifically for delegating responsibility to the Local School Headteacher.

The Local School Committee has delegated responsibility for Local School policy approval and stakeholder engagement.

The Remuneration Committee has delegated responsibility for CEO/Executive Headteacher performance management and the remuneration of higher paid staff.

The Audit Committee has delegated responsibility for the internal controls and the external audit function.

In addition to the above committees there are several ad hoc committees formed as necessary including Student Discipline Committee and Staff Discipline and Grievance Committee.

The Headteacher of Beckfoot School is also the Executive Headteacher of all Trust schools and is the Trust's Chief Executive and Accounting Officer.

The Operations and Finance Director completes strategic operational and financial management tasks as delegated by the CEO. The Operations and Finance Director is also the Trust's Principal Financial Officer.

Arrangements for setting pay and remuneration of key management personnel

The Remuneration Committee of the board is responsible for the performance management of the CEO and Executive Headteacher and for setting their pay. The CEO and Executive Headteacher is responsible for the performance management of all senior Trust staff (including employed Directors) and Headteachers and Heads of School in Trust schools. The Remuneration Committee of the board is responsible for setting the pay of all senior Trust staff (including employed Directors) and Headteachers and Heads of School in Trust schools. Local School Headteachers are responsible for the performance management and the setting of pay for Senior Leadership Team members in accordance with a framework agreed by the CEO and Executive Headteacher.

Related Parties and other Connected Charities and Organisations

Trustees are required to make a declaration of interest annually in order to enable the Trust to identify related parties. Eight related party relationships exist between Trustees and third party suppliers or customers and in each case the financial arrangements meet the requirements of relevant accounting standards and the Financial Handbook. Full details of these relationships can be found in note 22.

Objectives and Activities

Objects and Aims

The principal activities and objects of Beckfoot Trust are:

- The advancement, for public benefit, education in the United Kingdom, in particular establishing, maintaining, managing and developing schools offering a broad and balanced curriculum.
- To provide full or part time education for children of compulsory school age, who otherwise may not for any period receive suitable education unless alternative provision is made for them.
- To make special educational provision for pupils with Special Educational Needs.
- To promote for the benefit of the inhabitants of Bradford and surrounding area the provision of facilities for recreation.

Objectives, Strategies and Activities

The Trust has the following Core Purpose:

Beckfoot Trust schools create remarkable learning environments in which students expect success because of their ambitious attitude to learning, the challenge provided by staff and the support they receive at home. This will be accomplished when each school creates outcomes for learners that rank them in the top 20% by comparison with students in similar schools.

Current Progress:

Beckfoot and Hazelbeck are now Outstanding Schools and have ambitious plans to develop further. Beckfoot Upper Heaton (formerly Belle Vue Boys' school) has made substantial progress in its first year of full sponsorship with improved academic outcomes, a full staff compliment and a full roll in Year 7. The Trust completed the conversions of Allerton Primary School (convertor, Outstanding) and Oakbank secondary school (sponsored, Requires Improvement) on 1st September 2016. Thornton Grammar School (sponsored, Requires Improvement) converted to join the Trust on 1st October 2016. Heaton Primary School (convertor, Requires Improvement) converted to join the Trust on 1st December 2016.

The Trust is active in improving its schools based on a systematic approach to school improvement, effective structures for school-to-school support and the targeted use of teaching school expertise.

Trust Development:

The Trust is developing plans for further expansion in consultation with the Regional Schools Commissioner and a number of schools have made requests to convert and join the Trust.

Public Benefit

When setting the objectives of the charitable company for the year, the Academy Trust's Directors have given careful consideration to the Charity Commission's guidance on public benefit.

Strategic Report

Achievements and Performance

During the year, Beckfoot Trust operated three schools and worked on the conversion of four new schools.

Beckfoot School (Secondary Mainstream Converter)

Beckfoot is achieving outcomes that fall a little short of the high standards it achieved when graded 'Outstanding' by Ofsted in 2014. Academic results in 2016 were very strong at 'A' level and GCSE results were slightly up on 2015 (with a weaker cohort). Outcomes remain significantly above national averages. The school is active in developing strategies for identified groups of learners, especially boys that should have performed better.

Beckfoot School (figures correct at time of publication)	National 2015	Beckfoot 2015	Beckfoot 2016
Total number of pupils on roll (all ages)	N/A	1629	1632
Key Stage 4 Progress			
Progress 8			-0.02
Key Stage 4 Attainment			
Attainment 8	48.06	51.12	51.34
A*-C in English + Maths (Basics)	58%	64%	65%
Ebacc	24%	46%	30%
Key Stage 5 A Level Attainment (New point system introduced 2016)			
Average point score per A level entry	N/A	N/A	32.47
Average point score per A level entry expressed as a grade	N/A	N/A	C+

Hazelbeck School (Secondary Special Converter)

Hazelbeck School continues to develop both its curriculum and accreditation offer; the Ofsted judgement of Outstanding from February 2015 still describes the school. The table below identifies pupil progress against their own starting points towards targets set in line with the DfE progression guidance.

Hazelbeck School All learners	2015 Making and exceeding expected progress	2016 Making and exceeding expected progress
English	86%	89%
Maths	79%	78%
Science	87%	93%

Beckfoot Upper Heaton (Secondary Mainstream Full Sponsorship)

Beckfoot Upper Heaton, that joined the Trust in September 2015, has enjoyed an exceptional first year. Academic outcomes were considerably improved on 2015 although they remain below Department for Education floor targets. The school is now well led, with a clear vision and plan for improvement. It is fully staffed and numbers of students joining the school in Year 7 have recovered to the schools capacity for a year group. Trust systems for school improvement are embedded and the school will move into its new school building in January 2017.

Beckfoot Upper Heaton School (figures correct at time of publication)	National 2015	Upper Heaton 2015	Upper Heaton 2016
Total number of pupils on roll (all ages)	N/A	436	426
Key Stage 4 Progress			
Progress 8			-0.16
Key Stage 4 Attainment			
Attainment 8	48.06	32.12	38.31
A*-C in English + Maths (Basics)	58%	38%	43%
Ebacc	24%	9.5%	1.5%
Key Stage 5 A Level Attainment (New point system introduced 2016)			
Average point score per A level entry	N/A	N/A	27.22
Average point score per A level entry expressed as a grade	N/A	N/A	C-

On 1st September 2016 two schools joined the Trust:

Beckfoot Allerton Primary School (Primary Converter)

Beckfoot Allerton converted as an outstanding school that understands its outcomes for students in 2016 were not strong enough, particularly in reading. The school will be active in developing primary sector expertise within the Trust.

Beckfoot Oakbank (Secondary Sponsored)

Beckfoot Oakbank is a sponsored conversion from a predecessor school graded Requires Improvement by Ofsted. Academic outcomes in 2016 remain static at around Government floor targets. The school is actively embracing the Trust school improvement agenda.

On 1st October 2016 one school joined the Trust:

Beckfoot Thornton (Secondary Sponsored)

Beckfoot Thornton is a sponsored conversion from a predecessor school graded Requires Improvement by Ofsted. Academic outcomes worsened in 2016 and are now below Government floor targets. The school is actively embracing the Trust school improvement agenda.

On 1st December 2016 one school joined the Trust:

Beckfoot Heaton Primary School (Primary Converter)

Beckfoot Heaton Primary School is a converter conversion from a predecessor school graded Requires Improvement by Ofsted. The school is actively embracing the Trust school improvement agenda.

Key Financial Performance Indicators

The Academy Trust prepares monthly management accounts and monitors its cash position closely. The KPI's are considered to be in-year budget variance and the level of reserves available after applying the contingency defined in the reserves policy.

Going Concern

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

Financial Review

The financial statements show a deficit for the year of £3,159k (2015: Surplus £231k). This deficit is a direct result of the extraordinary actuarial pension adjustment of £4,058k in the statement of financial activities. Without the extraordinary actuarial pension adjustment the Trust created a trading surplus of £899k (2015: £78k restated).

The balance sheet shows net liabilities of £2,199k including a pension deficit of (£6,575k). The level of free reserves exceeds the reserves policy for the Trust and excluding the pension adjustments the Trust has had an extremely strong trading year.

79% of the Trust's income from educational funding is core GAG funding from the Education Funding Agency with a further 12% coming from the local authority as SEN funding. The balance is made up of income from parents for music lessons and trips which are spent on these specific activities and community lettings.

Of the Trust's expenditure, 98% is spent on the educational operations of the Trust with the remainder being spent on governance costs and the costs of generating funds. This balance of expenditure is consistent with the objects and aims of the Trust.

On 31st August 2016 the Trust had £5.2m cash at the bank. Following receipt of debt and payment of all creditors, the cash figure is reduced to £3.7m. This level of cash is required to run the Trust and protect against financial pressure in future years.

Reserves Policy

The Trustees review the reserve levels at the Trust annually and adjust the reserves policy accordingly. The review considers the strategic requirements for school improvement and consequent investment requirements. It also takes into consideration risks associated with a one off negative events and the cash flow funding consequences associated with expanding and contracting schools. The Trustees have set the level of reserves held for contingency at 2.75% of projected income for the 2016/17 financial year.

Investment Policy

A return on working capital should be optimised whilst allowing easy access of the funds. In balancing risk against return the Academy policy is geared towards avoiding risk and maximising income from a low risk strategy. All monies are currently held on bank deposit and are attracting interest. The Trust will continue to review the balance of risk and reward in the future and revise its policy accordingly.

Principle Risks and Uncertainties

Beckfoot Trust actively manages risk by monitoring and updating its Risk Register at each Business Committee meeting. Any amendments are discussed by the Board. A summary of the four key risks and the control measures in place are noted below:

1. Single negative event that could lead to significant negative publicity (includes Strikes, Child protection issues, Disasters etc.) – controlled by the daily business of running effective schools.
2. Educational outcomes at Beckfoot Upper Heaton (full sponsorship) do not improve and the school fails to fill to roll threatening its financial viability and judgements about Trust educational improvement capacity – controlled by the Trust School Improvement Plan in place and mitigated by improved educational outcomes in 2016.
3. Educational outcomes at Beckfoot Oakbank (sponsorship) do not improve and the school fails to fill to roll threatening its financial viability and judgements about Trust educational improvement capacity – controlled by the Trust School Improvement plan in place.
4. Educational outcomes at Beckfoot Thornton (sponsorship) do not improve and the school fails to fill to roll threatening its financial viability and judgements about Trust educational improvement capacity – controlled by the Trust School Improvement Plan in place.

Additionally, each time the Trust implements a due diligence exercise to consider converting a new school it creates an individual risk register to monitor the process.

Financial and Risk Management Objectives and Policies

The board is satisfied that its risk management process identifies risks as well as the controls required to mitigate them. In particular, Trustees are satisfied that:

- The risks associated with the full sponsorship of Beckfoot Upper Heaton have been mitigated by improved academic outcomes in 2016.
- The risks (educational and commercial) associated with the conversions of Beckfoot Allerton, Beckfoot Heaton, Beckfoot Oakbank and Beckfoot Thornton are understood and documented.
- The West Yorkshire Pension Scheme deficit is understood and financial arrangements are in place to repay the necessary shortfalls.
- Cash flow is monitored effectively.
- Bad debt risk is minimal.

Plans for Future Periods

The Trust has plans to develop a balanced portfolio of primary and secondary schools delivering mainstream and special educational provision. For a school to join the Trust the arrangements must contribute to the RSC's vision for school improvement in Bradford. The schools need to; educate Bradford's young people; be comprehensive in status and ethos; be co-educational; be located within a 20 minute off peak drive-time of BD16; actively want to join Beckfoot Trust; adopt the Trust values, core purpose, learner, leader and organisational principles and balance the educational and commercial risks of the Trust.

The Trust is ambitious for all its schools and targets educational outcomes that place them in the top 20% by comparison with other schools. Stronger schools support those where the progress of learners is not yet good and a Central Improvement Team allocates school improvement capacity and centrally held resource where it is needed most. Beckfoot Trust Teaching School assumes responsibility for professional standards and the recruitment and development of leadership talent.

Reserves are carefully monitored and each school prepares financial plans, the Trust ensures they are self-sustaining and allocating resource effectively to drive school improvement. All schools collaborate to benefit from collective purchasing arrangements and this work will continue as the Trust develops.

Auditor

Saffery Champness have expressed their willingness to remain in office as auditors to Beckfoot Trust.

Insofar as the Trustees are aware:

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

Trustees' report incorporating a strategic report, approved by order of the board of Trustees on 8 December 2016 and signed on its behalf by:

Mr J Winkley
Chair of Trustees
8 December 2016

GOVERNANCE STATEMENT

Scope of Responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the CEO/Executive Headteacher, 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 and supplementary funding agreements between Beckfoot Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees Report and in the Statement of Trustees' Responsibilities. The board has met six times in the period 1 September 2015 to 31 August 2016.

<i>Director/Trustee</i>	<i>Meetings Attended</i>	<i>Out of a Possible</i>
S Ali	5	6
C J Burland	5	6
J M C Cole	6	6
P Hill	5	6
D J Horn	6	6
M J Kelly	6	6
R Lawrence	4	6
J M Lee	4	6
S J Pierce	5	6
C D Tebbutt	6	6
S K Tollervey	6	6
J Winkley	4	6

The Finance and HR Committee is a sub-committee of the main board of Trustees. It has delegated responsibility for financial management, specifically for delegating responsibility to Headteachers, recommending budgets to the board and identifying variances from approved budgets. The Finance and HR Committee has met five times in the period 1 September 2015 to 31 August 2016.

<i>Director/Trustee</i>	<i>Meetings Attended</i>	<i>Out of a Possible</i>
J M C Cole	3	5
P Hill	2	5
D J Horn	5	5
M J Kelly	5	5
J M Lee	4	5
S J Pierce	4	5
C D Tebbutt	5	5
J Winkley	3	5

The Audit Committee is a sub-committee of the main board of Trustees. The Audit Committee has delegated responsibility for the internal and external audit function. The Audit Committee has met three times in the period 1 September 2015 to 31 August 2016.

<i>Director/Trustee</i>	<i>Meetings Attended</i>	<i>Out of a Possible</i>
S Ali	3	3
C J Burland	2	3
J M C Cole	3	3
R Lawrence	1	3
S K Tollervey	2	3

The Remuneration Committee is a sub-committee of the main board of Trustees. The Remuneration Committee has delegated responsibility for the performance management and remuneration of the CEO/executive Headteacher and the remuneration of higher paid Trust staff. The Remuneration Committee has met once in the period 1 September 2015 to 31 August 2016.

Director/Trustee	Meetings Attended	Out of a Possible
D J Horn	1	1
M J Kelly	1	1
J M Lee	1	1
J Winkley	1	1

Review of Value for Money

As Accounting Officer 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 each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy Trust has delivered improved value for money during the year by:

- Reversing the decline in educational outcomes at Beckfoot Upper Heaton.
- Effectively using purchasing frameworks to the reduce costs centrally procured resources including insurance, ICT equipment and payroll services.
- Increasing the capacity of the Trust's Central Improvement Team by utilising capacity grant funding whilst reducing the financial burden on individual schools for these services through economies of scale.
- Facilitating the sharing of best practice in learning and teaching through Trust conferences, collaboration across academies and sharing 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 Beckfoot Trust for the period 1 September 2015 to 31 August 2016 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 is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees oversee this risk management framework with regular reviews of the Risk Register at the Finance and HR Committee of the board of Trustees. 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 and that the process has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

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:

- Regular reviews of the academy Trust's financial policies and procedures.
- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Finance and HR Committee of the board of Trustees in respect of each academy.

- Regular reviews by the Finance and HR 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 to appoint Saffery Champness as internal auditor. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy Trust's financial systems. The internal auditor this year conducted a thorough review of the processes and procedures of the Trust, specifically at Beckfoot Upper Heaton. The findings of the review were positive with a number of minor changes being incorporated into the procedures.

The internal auditor provides a written report of their findings to the Audit Committee which in turn reports to the board of Trustees on the operation of the systems of control and on the discharge of the board's financial responsibilities.

Review of Effectiveness

As accounting officer, David Horn, has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- The work of the internal auditor .
- The work of the external auditor.
- The work of the executive managers within the academy Trust who have responsibility for the development and maintenance of the internal control framework and the financial policies and procedures.

The accounting officer has been advised of the implications of the results of their review of the system of internal control by the audit committee and a plan to ensure continuous improvement is in place.

Approved by the board of Trustees on 8 December 2016 and signed on its behalf by:

Mr J Winkley
Chair of Trustees

Mr D J Horn
Accounting officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Beckfoot Trust I have considered my responsibility to notify the board of directors of the academy Trust board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy Trust board 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 Academies 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.

Mr D J Horn
Accounting officer
8 December 2016

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who act as governors of Beckfoot Trust and are also directors of the Charitable Company for the purposes of company law, are responsible for preparing the Trustees' 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 they 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 at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial 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 2015 and the Academies Accounts Direction 2015 to 2016
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK accounting standards (FRS102) have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 which 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 and Department of Education (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 8 December 2016 and signed on its behalf by:

Mr J Winkley
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT

We have audited the financial statements of Beckfoot Trust for the year ended 31 August 2016 on pages 18 to 41. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 (FRS102).

This report is made solely to the 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 company's members those matters we are required to state to them in an auditors' 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 company and 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 auditors

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the trustees;
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity'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 requirements of the Companies Act 2006
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2015 to 2016

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Trustees' Annual 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 and sufficient accounting records, or returns adequate for our audit
- have not been received from branches not visited by us, or
- The charity 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.

Jonathan Davis
Senior Statutory Auditor
For and on behalf of

Saffery Champness
Chartered Accountants
Statutory Auditors
Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

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

In accordance with the terms of our engagement letter dated 15 August 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Beckfoot 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 Beckfoot Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Beckfoot Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Beckfoot Trust and EFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of Beckfoot Trust's funding agreement with the Secretary of State for Education dated 1 September 2011 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 to 2016. 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 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

The Beckfoot Trust
Independent Reporting Accountant's Report on Regularity

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

Conclusion

In the course of our work, except for the matters listed below 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.

Jonathan Davis
Senior Statutory Auditor

For and on behalf of

Saffery Champness
Chartered Accountants
Statutory Auditors
Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2016

(Including the Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

		Unrestricted	Restricted	Restricted	Total	Restated
	Note	Funds	General	Fixed	2016	Total
		£000	Funds	Asset	£000	2015
		£000	£000	Funds	£000	£000
Income from:						
Donations and Capital Grants	2	23	-	46	69	95
Transfer from local authority on conversion	27	110	-	-	110	-
<i>Charitable activities</i>						
Funding for the Academy Trust's educational operations	3	240	16,400	-	16,640	12,689
Other trading activities	4	23	186	-	209	155
Investment income	5	13	-	-	13	11
Total income		409	16,586	46	17,041	12,950
Expenditure on:						
Raising funds	6	101	-	4	105	109
<i>Charitable activities:</i>						
Academy Trusts educational operations	6,7	175	15,167	397	15,739	12,763
Transfer from local authority on conversion	27	-	298	-	298	-
Total resources expended		276	15,465	401	16,142	12,872
Net incoming / (outgoing) resources before transfers		133	1,121	(355)	899	78
Gross transfers between funds	17	(49)	(121)	170	-	-
Net income/(expenditure) for the year		84	1,000	(185)	899	78
Other recognised gains and losses						(62)
Actuarial (loss/gain) on defined benefit pension schemes	23	-	(4,058)	-	(4,058)	215
Net movement in funds		84	(3,058)	(185)	(3,159)	231
Funds/(Deficits) brought forward	17	1,119	(964)	792	960	729
Funds/(Deficits) carried forward	17	1,389	(4,165)	577	(2,199)	960

All of the Academy's activities derive from continuing operations during the above two financial periods. A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

BALANCE SHEET AS AT 31 AUGUST 2016

(Company Number: 08155088)

	Note	2016 £000	2016 £000	Restated 2015 £000	Restated 2015 £000
Fixed assets					
Intangible assets	12		41		-
Tangible assets	13		547		634
Current assets					
Stock	14	5		5	
Debtors	15	287		310	
Cash at bank and in hand		5,206		4,500	
			5,498		4,815
Liabilities					
Creditors: Amounts falling due within one year	16	(1,710)		(2,668)	
Net current assets			3,788		2,147
Total assets less current liabilities			4,376		2,781
Net assets excluding pension liability			4,376		2,781
Defined benefit pension scheme liability	23		(6,575)		(1,834)
Net assets including pension liability			(2,199)		947
Funds of the academy:					
Restricted funds					
Fixed asset fund	12,13		620		805
Restricted income fund	17		2,553		870
Pension reserve	17		(6,575)		(1,834)
Total restricted funds			(3,402)		(159)
Unrestricted funds					
General fund	17		757		653
Designated funds	17		446		466
Total unrestricted funds			1,203		1,119
Total funds			(2,199)		960

The financial statements on pages 18 to 41 were approved by the Trustees and authorised for issue on 8 December 2016 and are signed on their behalf by:

Mr J Winkley
Chair of Trustees

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £000	2015 £000
Cash flows from operating activities			
Net cash provided by operating activities	19	1,008	993
Cash flows from investing activities			
	20	(302)	(103)
Increase in cash in the period		706	890
Reconciliation of net cash flow to movement in net funds			
Cash and cash equivalents at 1 September		4,500	3,610
Cash and cash equivalents at 31 August		5,206	4,500

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

Statement of Accounting Policies for the Year Ended 31 August 2016

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.

Beckfoot 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 Beckfoot 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 Coketown 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. [The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS']. These are outlined below.

Reconciliations to previous UK GAAP for the comparative figures are included in note 26.

Change in recognition of LGPS interest cost

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 credit/debit to income/expense by £66k and increase the credit/debit in other recognised gains and losses in the SoFA by an equivalent amount.

Explanation of transition to FRS 102

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'.

Conversion to an Academy Trust

The conversion from a state maintained school to an academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out in here.

The assets and liabilities transferred on conversion from Belle Vue Boys to Beckfoot Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories with a corresponding

amount recognised in donations – transfer from local authority on conversion in the SOFA and analyse under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 27.

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 Beckfoot Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of 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.

This is explained further in note 1.

Incoming resources

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

Grants receivable

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

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

Capital grants are recognised 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.

Donations

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

Other Income

Other income, including the hire of facilities is recognised in the period it is receivable and to the extent the academy Trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy Trust's accounting policies.

PFI Buildings Policy

Beckfoot and Hazelbeck schools share a campus at Wagon Lane. The property was built under a PFI arrangement as part of the Government's Building Schools for the Future Programme. The property is maintained and managed under a 25 year facilities management contract that expires in 2036.

Beckfoot Upper Heaton has been founded in property inherited from the Local Authority. The Trust will maintain the property until it is replaced in 2016. A new building is under construction as a PFI project that is part of the Government's Priority Schools Building Programme. This property will be maintained under a 25 year facilities management contract that expires in 2041.

Other income

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

Investment income

Investment income is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

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, including support costs and costs relating to the governance of the academy Trust apportioned to charitable activities.

All resources expended are shown inclusive of irrecoverable VAT.

Agency Arrangements

The academy Trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA 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 Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 26.

Intangible Fixed Assets

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Purchased computer software	20%
-----------------------------	-----

Tangible Fixed Assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Assets costing less than £500 are written off in the year of acquisition.

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

Fixtures, Fittings and Equipment	5% to 20% Straight Line
Motor Vehicles	10% Reducing Balance
ICT Equipment	20% to 33.3% Straight Line

A review for impairment will be made if circumstances indicate that the net book value of assets may not be recoverable. Any shortfall between the net book value and their recoverable value is recognised as an impairment and included in the Statement of Financial Activities. This has not occurred in the period ended 31st August 2016.

Investments

The academy's shareholding in the wholly owned and dormant subsidiary, Beckfoot School (Trading) Limited [company number: 8130928 incorporation date: 24th July 2012], is not included in the balance sheet due to the cost of the share capital owned being a minimal value of £1. The investment will not be valued as there is no readily available market value and the cost of valuation exceeds the benefit derived.

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.

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 as they are due over the period of the lease agreement.

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 received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Academy Trust is registered for VAT.

Pensions Benefits

Retirement benefits to employees of the academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

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 prospective unit credit method. As stated in note 29, the TPS is a multi-employer scheme and 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.

The LGPS is a funded scheme and the assets are held separately from those of the academy Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 balance sheet date. The amounts charged to operating surplus 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/asset 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.

Actuarial gains and losses are recognised immediately 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 and include grants from the Education Funding Agency or Department for Education.

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.

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 29, 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.

1. Going Concern

The Trust recognises that as at the 31 August 2016 the balance sheet was negative. The Trustees consider the Trust to be a going concern on the basis that this results from the impact of the accounting valuation under FRS102 of the defined benefit pension scheme. The Trustees wish to emphasise that Beckfoot Trust has made operating surpluses in the year and has net current assets. The key figures are shown here:

	Total 2016 £000	Total 2015 £000
Net Assets Excluding Pension	4,376	2,781
Including cash	5,206	4,500
Reported Net Movement In Funds	(3,145)	218
Add back:		
Actuarial movements	4,058	(75)
WYPF Valuation Movements	385	180
Transfer in of liability	298	-
Operating Surplus	1,596	323

2. Donations and Capital Grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Capital Grants	-	46	46	40
Donations	23	-	23	55
Transferred on Conversion	110	-	110	-
	133	46	179	95
<i>2015 Total</i>	<i>22</i>	<i>73</i>	<i>95</i>	

3. Funding for Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
DfE/EFA grants				
GAG	-	13,046	13,046	10,186
Pupil Premium	-	449	449	380
Start-up grants	-	89	89	-
Other DfE/EFA Grants	-	431	431	203
	-	14,015	14,015	10,769
Other Government grants				
Local Authority Grants	-	2,319	2,319	1,555
Other Grants and Income				
Other grants	-	1	1	24
Teaching School Income	-	65	65	85
Music and Trip Income	21	186	207	215
Other income	33	-	33	28
	54	252	306	352
Total Funding for Educational Operations	54	16,586	16,640	12,676
<i>2015 Total</i>	<i>49</i>	<i>12,627</i>	<i>12,676</i>	

4. Other Trading Activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Lettings income	144	-	144	140
Catering income	55	-	55	6
Other income	10	-	10	9
	209	-	209	155
<i>2015 Total</i>	<i>155</i>	<i>-</i>	<i>155</i>	

5. Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Short term deposits	13	-	13	11
	13	-	13	11
<i>2015 Total</i>	<i>11</i>	<i>-</i>	<i>11</i>	

6. Resources Expended

	Staff Costs £000	Non Pay Expenditure		2016 Total £000	2015 Total £000
		Premises £000	Other £000		
Expenditure on raising funds	82	19	4	105	109
Academy's educational operations:					
<i>Direct costs</i>	10,145	128	1,330	11,603	9,535
<i>Allocated support costs</i>	1,376	2,015	1,043	4,434	3,228
	11,603	2,162	2,372	16,142	12,872
<i>2015 Total</i>	8,928	2,413	1,531	12,872	

Incoming/(Outgoing) resources for the period include:	2016 £000	2015 £000
Building provision cost	70	184
Fees payable to auditor – audit	15	10
Fees payable to auditor – other	6	8
Operating lease costs	1,900	2,069
Depreciation	392	370
Amortisation of intangible fixed assets	9	-

7. Charitable Activities

	Total 2016 £000	Total 2015 £000
Direct costs – educational operations	11,603	9,535
Support costs – educational operations	4,434	3,088
Total direct and support costs	16,037	12,623

Analysis of support costs

Support staff costs	1,459	588
Transfer from Local Authority	298	-
Depreciation	34	23
Admin Supplies and Services	413	240
Maintenance of premises and equipment	20	9
PFI Charges	1,865	1,943
Rates	75	66
Insurance	85	43
IT Licencing	59	19
Catering	87	13
Other support costs	6	8
Governance costs	33	136
	4,434	3,088

8. Staff Costs

	2016	2015
	£000	£000
Staff costs during the period were:		
Wages and salaries	8,840	7,012
Social security costs	697	482
Operating costs of defined benefit pension schemes	1,247	946
	10,784	8,440
LGPS Adjustment	385	320
Supply staff costs	206	62
Peripatetic teaching costs	50	60
Restructuring costs	178	46
	11,603	8,928

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

	2016	2015
	No.	No.
<i>Charitable Activities</i>		
Teachers	189	168
Administration and Support	246	203
Management	18	13
	453	384

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

	2016	2015
	No.	No.
£60,001 - £70,000	1	4
£70,001 - £80,000	4	1
£80,001 - £90,000	-	1
£110,001-£120,000	-	-
£120,001 - £130,000	1	1
	6	6

Five (2015: five) of the above employees participated in the Teachers' Pension Scheme. The other employee participated in the Local Government Pension Scheme.

Key Management Personnel

The key management personnel of the academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy Trust was £528,931 (2015: £390,000).

9. Trustees' Remuneration and Expenses

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

The value of Trustees' remuneration was as follows:

Name	Trustees Role	2016	2015
<i>D J Horn</i>	<i>Executive Head and CEO</i>		
Remuneration		£125,000-£130,000	£120,001 - £125,000
Employers Pension Contributions		£20,001-£25,000	£15,001-£20,000
<i>S Pierce</i>	<i>Headteacher Hazelbeck</i>		
Remuneration		£75,001-£80,000	£75,001-£80,000
Employers Pension Contributions		£10,001-£15,000	£10,001-£15,000
<i>C D Tebbutt</i>	<i>Operations Finance Director</i>		
Remuneration		£70,001-£75,000	£65,001-£70,000
Employers Pension Contributions		£10,001-£15,000	£10,001-£15,000
<i>C J Burland</i>	<i>Teacher</i>		
Remuneration		£35,001 - £40,000	£35,001 - £40,000
Employers Pension Contributions		£5,001-£10,000	£5,001-£10,000

During the period ended 31 August 2016, travel and subsistence payments totalling £92.25 (2015: £nil) were reimbursed to one Trustee (2015: No Trustees).

Other related party transactions involving the Trustees are set out in note 22.

10. Trustees' and Officers' Indemnity Insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Governors and officers from claims, occurring whilst they are undertaking Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2016 was £1,188 (2015: £1,188). The cost of this insurance is included in the total insurance cost.

11. Central Improvement Team

The academy Trust provides the following central services to its schools during the year:

- School improvement
- Human resources
- Finance
- Estates Management

During the year each school has been charged a flat 4% of grant income. The board has approved the method of allocation of these central costs. The actual amounts charged during the period were as follows:

	2016	2015
	£000	£000
Beckfoot School	333	353
Beckfoot Upper Heaton	123	-
Hazelbeck School	107	100
Total Central Charge	563	453

12. Intangible Fixed Assets

	Computer Software £000	Total £000
Cost		
Recognised Under FRS102 (note 26)	13	13
Additions	37	37
Disposals	-	-
At 31 August 2016	50	50
Depreciation		
Charged in period	9	9
Disposals	-	-
At 31 August 2016	9	9
Net book values		
At 31 August 2016	41	41

13. Tangible Fixed Assets

	Leasehold Fixtures, Fittings and Equipment £000	ICT Equipment £000	Motor Vehicles £000	Total £000
Cost				
At 1 September 2015	379	940	76	1,395
Additions	17	293	-	310
Disposals	-	(212)	(7)	(219)
At 31 August 2016	396	1,021	69	1,486
Depreciation				
At 1 September 2015	137	614	10	761
Charged in period	60	326	6	392
Disposals	-	(212)	(2)	(214)
At 31 August 2016	197	728	14	939
Net book values				
At 31 August 2016	199	293	55	547
At 1 September 2015	242	326	66	634

14. Stock

	2016 £000	2015 £000
Student Shop	5	5

15. Debtors

	2016	2015
	£000	£000
Trade debtors	10	10
VAT recoverable	30	20
Prepayments and accrued income	247	280
	287	310

16. Creditors

Amounts falling due within one year

	2016	2015
	£000	£000
Trade creditors	22	63
EFA Creditor	104	82
Other creditors	320	635
Accruals and deferred income	1,264	1,888
	1,710	2,668

	2016	2015
	£000	£000
Deferred Income		
Deferred income at 1 September 201	296	81
Resources deferred in the year	81	296
Amounts released from previous years	(296)	(81)
Deferred income at 31 August 201	81	296

At the balance sheet date the academy Trust was holding funds received in advance for devolved formula capital, rates funding, SGO grant, teaching school grant and capacity funding.

Other creditors consists of the following provisions all made in full during the period ended 31 August 2016 in accordance with Financial Reporting Standard 12:

	2016	2015
	£000	£000
Other Creditors		
Property provision	320	635
	320	635

17. Funds

	Balance at 1 September 2015 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2016 £000
Restricted general funds					
General Annual Grant (GAG)	800	13,046	(11,398)	(121)	2,327
Other Government grant		2,421	(2,421)	-	-
Pupil Premium	-	449	(449)	-	-
Start Up Grant	-	89	(89)	-	-
Capacity Fund	-	75	(75)	-	-
Northern Fund	-	50	-	-	50
Trip Income	-	186	(186)	-	-
Teaching School	70	67	(71)	-	66
Sponsorship Fund	-	203	(93)	-	110
Pension reserve	(1,834)	-	(683)	(4,058)	(6,575)
	(964)	16,586	(15,465)	(4,179)	(4,022)
Restricted fixed asset funds					
Fixed Asset Fund	596	-	(401)	393	588
Capital funds	209	46	-	(223)	32
	805	46	(401)	170	620
Total restricted funds	(159)	16,632	(15,866)	(4,009)	(3,402)
Unrestricted funds					
Designated - FFE fund	466	-	-	(20)	446
Unrestricted funds	653	409	(276)	(29)	757
	1,119	409	(276)	(49)	1,203
Total funds	960	17,041	(16,142)	(4,058)	(2,199)

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

Restricted general funds have been spent in line with the terms of the Master Funding Agreement.

The capacity fund has been fully spent this financial year and was for the growth of the Trust. The Northern Fund is also for the purpose and is carried forward in full to next year.

The teaching school fund is to be used to develop the Beckfoot Teaching Schools' aims and objectives in line with the agreement with the Department for Education.

The Sponsorship fund of £150k was granted from the Department for Education to be spent on the sponsorship of Beckfoot Upper Heaton. This is now fully spent. A further £55k per school was granted for the sponsorship of Beckfoot Oakbank and Beckfoot Thornton. This is carried forward to be spent in 16/17.

Restricted fixed asset funds are used solely for capital purchases in line with the strategic objectives of Beckfoot Trust. This year has seen a large amount of ICT capital expenditure in Trust schools resulting in a transfer of £223k from capital funds, £49k from unrestricted funds and £121k from restricted funds.

The restricted pension fund is in deficit to the value of £6,575k as at 31 August 2016, which is in excess of the unrestricted funds, the large increase in the liability is due to a dramatically reduced discount rate following the Brexit vote and used in the valuation. The Trustees will continue to monitor this situation closely.

Beckfoot Trust
Notes to the Financial Statements

The FFE fund is designated by the Trustees to be spent on repairs and maintenance of certain fixed assets not included in the management companies schedule of maintained assets.

Under the funding agreement with the Secretary of State, the academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Analysis of fund balance by school

Fund balances at 31 August 2016 were allocated as follows:

	2016	2015
	£000	£000
Beckfoot	1,896	1,564
Beckfoot Upper Heaton	863	-
Hazelbeck	787	619
Beckfoot Teaching School	66	-
Central Improvement Team	176	15
Total before fixed assets and pension reserve	3,788	2,198
Restricted fixed asset fund	588	596
Pension Reserve	(6,575)	(1,834)
	(2,199)	960

Analysis of costs by school

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Education al Supplies £000	Other Costs (excluding Depreciation) £000	Total 2016 £000	Total 2015 £000
Beckfoot	5,802	734	880	1,925	9,341	10,347
Beckfoot Upper Heaton	2,030	473	204	494	3,201	-
Hazelbeck	1,929	43	100	545	2,617	2,039
	9,761	1,250	1,184	2,964	15,159	12,386

Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Intangible fixed assets	-	-	41	41
Tangible fixed assets	-	-	547	547
Current assets	1,389	4,077	32	5,498
Current liabilities	-	(1,677)	(43)	(1,710)
Pension scheme liability	-	(6,575)	-	(6,575)
Total net assets	1,389	(4,165)	577	(2,199)

18. Financial Commitments

At 31 August 2016 the academy Trusts minimum lease payments under non-cancellable operating leases and other agreements were as follows:

	2016	2015
	£000	£000
Other Operating Leases		
Due in one year	1,830	1,851
Due between one and five years	7,142	7,080
Due after five years	26,700	28,114
	<u>35,672</u>	<u>37,075</u>

There is also a non-cancellable lease relating to the rental of the land and buildings from the City of Bradford Metropolitan District Council. This is for a peppercorn rate and is due to expire in 1st August 2138.

19. Reconciliation of net income to net cash flow from operating activities

	2016	2015
	£000	£000
Net income	899	205
Amortisation (note 12)	9	-
Depreciation (note 13)	392	370
Capital grants receivable	(46)	(40)
Other changes in fixed assets	19	3
Bursary funds	-	(62)
Defined benefit pension scheme obligation inherited	298	
Defined benefit pension scheme cost less contributions payable (note 23)	319	244
Defined benefit pension scheme finance income (note 23)	66	(64)
Interest receivable	(13)	(11)
Increase in stock	-	-
Decrease/(Increase) in debtors	23	(64)
(Decrease)/Increase in creditors	(958)	412
Net cash inflow from operating activities	<u>1,008</u>	<u>993</u>

20. Cash flows from investing activities

	2016	2015
	£000	£000
Interest received	13	11
Purchase of tangible fixed assets	(347)	(127)
Assets transferred on termination of ICT contract	(14)	(27)
Capital grants	46	40
Net cash inflow from returns on investment and servicing of finance	<u>(302)</u>	<u>(103)</u>

Analysis of cash and cash equivalents

	At 1 September	Cash	At 31 August
	2015	Flows	2016
	£000	£000	£000
Cash in hand and at bank	<u>4,500</u>	706	<u>5,206</u>

21. 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 they are a member, or within one year after they cease to be a member, such amount as may be required, but not exceeding £10.00, for the debts and liabilities contracted before they cease to be a member.

22. Related Party Transactions

Owing to the nature of the academy Trust's operations and the composition of the board of Trustees being drawn from members of local public and private sector organisations, transactions may take place with organisations in which the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account.

Organisation	Relationship to Trust	Transactions
Bronte Parsonage	J Lee (Trustee of the Trust) is a Trustee of Bronte Parsonage	Purchases of £472 relating to an English trip (2015: £760)
Bradford Partnership	D Horn (CEO/Executive Head and Trustee of the Trust) is a Director S Morrissey (Member of the Trust) is an employee	Membership fees of £19,200 (2015 - £19520)
Bradford Council	S Ali (Trustee of the Trust) is a committee member P Hill (Trustee of the Trust) is an employee	The Trust has service level agreements for a number of services with the council and has spent £11,864,763 which largely relates to salary costs and PFI charges (2015 – £11,068,888)
Carlton Bolling School	D Horn (CEO/Executive Head and Trustee of the Trust) is a member of the interim executive board	In 2015 sales of £480 relating to CPD recharges. No transactions this year.
District Achievement Partnership	S Pierce (Trustee of the Trust) is a Director	Purchases of £18,632 relating to CPD. (2015: Sales of £225 relating to CPD recharges Purchases of £15,409 relating to membership and CPD)
Nell Bank	J Cole (Trustee of the Trust) is a Trustee	Purchases of £2,200 relating to a year 7 trip (2015 - £2,645)
Titus Salt School	J Cole (Trustee of the Trust) is a governor	No transactions (2015 - £1200)
University Academy Keighley	S Morrissey (Member of the Trust) is a Trustee	No transactions (2015: Sales of £960 relating to CPD recharges)

23. Pension and Similar Obligations

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

As described in note 27 the LGPS obligation relates to the employees of the academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year/period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy Trust at the balance sheet date.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 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 pension costs paid to TPS in the period amounted to £848k (2015: £633k)

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

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

The Local Government Pension Scheme (LGPS)

The LGPS is a funded defined benefit scheme, with the assets held in separate Trustee administered funds. The total contributions made for the period ended 31 August 2016 was £583k, of which employer's contributions totalled £413k and employees' contributions totalled £170k. The agreed contribution rates for future years are 13.9% for employers plus a lump sum contribution of nil and between 5.5% and 7.5% for employees dependent upon their full time equivalent earnings.

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	3.5%	3.5%
RPI Inflation increase	3.1%	3.1%
CPI Inflation increase	2.0%	2.0%
Discount rate for scheme liabilities	2.0%	3.8%
Rate of increase in deferred pensions	2.0%	2.0%
Rate of increase to pensions in payment	2.0%	2.0%
Rate of revaluation of pension accounts	2.0%	2.0%
<i>Commutation of pensions to lump sums</i>	75%	75%

Sensitivity analysis has been performed on the principle assumptions of the pension liability including the discount rate, increase in salary rate, rate of increase in pensions and mortality rate. The result of these are shown below:

Adjustment to discount rate	0.1%	(0.1%)
% Change in present value of total obligation	(2.0%)	2.0%
Adjustment to salary increase rate	0.1%	(0.1%)
% Change in present value of total obligation	0.8%	(0.8%)
Adjustment to pension increase rate	0.1%	(0.1%)
% Change in present value of total obligation	1.2%	(1.2%)
Adjustment to mortality age rating	(1) year	1 year
% Change in present value of total obligation	3.2%	(3.2%)

The current mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. 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' time		
Males	24.9	24.8
Females	28.0	27.8

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

	Fair Value at 31 August 2016 £000	Fair Value at 31 August 2015 £000
Equities	5,710	3,949
Property	365	234
Government Bonds	852	541
Corporate Bonds	319	239
Cash	106	79
Other	251	161
Total market value of assets	7,603	5,203
Present value of scheme liabilities	14,178	7,037
Deficit in the scheme	(6,575)	(1,834)

Beckfoot Trust employs a building block approach in determining the expected rate of return on fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out above. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the over the actual asset allocation for the Fund at 31 August 2016.

The actual interest on scheme assets for 2016 was £220k (2015: return £182k).

Amounts recognised in the Statement of Financial Activities

	2016 £000	2015 £000
Current service cost (net of employee contributions)	722	570
Employers contribution	(413)	(309)
Beckfoot Upper Heaton Transfer In	298	
Past service cost	10	-
Net interest cost	66	59
Pension finance costs	683	320

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 102 is a £4058k loss (2015: £215k gain).

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

	2016 £000	2015 £000
At 1 September	7,037	6,450
Upon conversion	1,141	
Current service cost	722	553
Past service cost	10	
Interest cost	286	251
Employee contributions	170	145
Actuarial loss/(gain)	4,928	(327)
Benefits paid	(116)	(35)

Beckfoot Trust
Notes to the Financial Statements

At 31 August	14,178	7,037
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Movements in the present value of academy's share of scheme assets:

	2016	2015
	£000	£000
At 1 September	5,203	4,721
Upon conversion	843	-
Expected return on assets	220	315
Actuarial gain/(loss)	870	(252)
Employer contributions	413	309
Employee contributions	170	145
Benefits paid	(116)	(35)
At 31 August	7,603	5,203

History of experience adjustments since becoming an academy are as follows:

	2016	2015	2014	2013
	£000	£000	£000	£000
Present value of defined benefits obligations	(14,178)	(7,037)	(6,450)	(5,515)
Fair value of share of scheme	7,603	5,203	4,721	3,891
Deficit in scheme	(6,575)	(1,834)	(1,729)	(1,624)
Experience (losses)/gains on share of scheme assets amounts	870	(252)	142	(115)
Experience (gains)/losses on scheme liabilities amounts	4,928	(327)	66	128

24. Events After the Balance Sheet Date

On 1st September 2016, the Trust concluded the academy conversions of Beckfoot Oakbank and Beckfoot Allerton. On 1st October 2016, the Trust concluded the academy conversion of Beckfoot Thornton. On 1st December 2016, the Trust concluded the academy conversion of Beckfoot Heaton. At those respective points it acquired the assets and liabilities of the predecessor schools from the Local Authority under the terms of a Commercial Transfer Agreement that included the employment transfer of all the staff. Use of the land and property was transferred to the Trust under the terms of a 125 year lease. This is estimated to have the following effect on the Trust balance sheet:

Transferred on Conversion	Beckfoot Allerton	Beckfoot Oakbank	Beckfoot Thornton	Beckfoot Heaton
Land and Buildings	£7,037k	£7,037k	£5,592k	£9,020k
Other fixed assets	£1,366k	£1,277k	£1,085k	£1,600k
Cash and cash equivalents	£118k	£235k	£604k	£326k
Pension scheme deficit	(£75.6k)	(£207k)	(£209k)	(£185k)

25. Agency Arrangements

The academy Trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2016 the Trust received £62k and disbursed £41k from the fund. An amount of £104k is included in other creditors relating to undistributed funds that is repayable to EFA.

26. Reconciliation of Transition to FRS102 and SORP 2015

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 total funds	Notes	1 September 2014 £000	31 August 2015 £000
Total funds under previous UK GAAP		729	947
Recognition of intangible assets		16	13
Total funds reported under FRS 102		745	960

Reconciliation of net income/(expenditure)	31 August 2015 £000
Net income previously reported under UK GAAP	205
Change in recognition of LGPS interest cost/net movement in funds under FRS102	(5)
Net income under FRS102	200

27. Conversion of Beckfoot Upper Heaton

On 1 September 2015 Belle Vue Boys School, now Beckfoot Upper Heaton, converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Beckfoot Trust from the Bradford Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Budget surplus / (deficit) on LA funds	110	-	-	110
LGPS pension surplus / (deficit)	-	(298)	-	(298)
Net [assets / liabilities]	110	(298)	-	(188)