



**Financial Statements for the Year Ended 31 August 2014**

FOR

THE BECKFOOT AND HAZELBECK TRUST  
(a company limited by guarantee)

COMPANY REGISTERED NUMBER: 8155088  
AND AN EXEMPT CHARITY

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## THE BECKFOOT AND HAZELBECK TRUST

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## REFERENCE AND ADMINISTRATIVE DETAILS

The Beckfoot and Hazelbeck Trust includes Beckfoot School and Hazelbeck School.

### Members

J Burghardt (Resigned date 08/03/14)  
J M C Cole  
H Griffin  
J Winkley

### Trustees/Company Directors:

S Ali #  
C J Burland (Staff trustee) #  
J M C Cole (Responsible Officer) #  
C Connolly(Resigned 29/08/14)  
D J Horn (Executive Head, accounting officer and staff trustee) ~  
M J Kelly ~  
R Lawrence #  
J M Lee ~  
S Pierce (Hazelbeck Headteacher and staff trustee) ~  
C D Tebbutt (Principal Finance Officer and staff trustee) ~  
S K Tollervey #  
J Winkley (Chair) ~

~ members of the Finance and HR Committee

# members of the Audit Committee

### Company Secretary

Schofield Sweeney LLP

### Beckfoot School Senior Leadership Team:

Headteacher	D J Horn
Deputy Headteacher	G C Halls
Deputy Headteacher	T S Smith
Deputy Headteacher and Business Manager	C D Tebbutt
Deputy Headteacher	S W Wade
Assistant Headteacher	D Anness
Assistant Headteacher	N Bostock Hayes
Assistant Headteacher	D Cooley

### Hazelbeck School Senior Leadership Team:

Executive Headteacher	D J Horn
Headteacher	S J Pierce
Deputy Headteacher	C Robinson
Assistant Headteacher	S Denison
Assistant Headteacher	J E Dowson
Assistant Headteacher	E B Mcphail
Business Manager	C D Tebbutt

**The Beckfoot and Hazelbeck Trust  
Reference and Administrative Details**

**Principal and Registered Office**

Wagon Lane  
Bingley  
Bradford  
West Yorkshire  
BD16 1EE

**Company Registered Number**

08155088

**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 year ended 31 August 2014. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies on pages 24 to 27 and the Companies Act 2006, comply with the charitable company's memorandum and articles of association and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 ("SORP 2005").

### **Structure, Governance and Management**

#### **Constitution**

The Beckfoot and Hazelbeck Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association dated 9<sup>th</sup> May 2013 are the primary governing documents of the Academy Trust.

The Beckfoot and Hazelbeck Trust is currently responsible for Beckfoot School, a mainstream Secondary School with a roll of 1630 students and Hazelbeck Secondary Special School, with a roll of 112 students. Both schools converted to academy status on 1<sup>st</sup> August 2013.

The directors act as trustees for the charitable activities of The Beckfoot and Hazelbeck Trust. The Charitable Company is known as The Beckfoot and Hazelbeck Trust. Details of the directors 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 The Beckfoot and Hazelbeck 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 2014 was £1,188.

#### **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 directors may then co-opt further directors with no maximum number set. Two Directors must be a parent of a registered pupil at one or more of the Schools. The total number of Directors who are employees of the charitable company shall not exceed one third of the total number of Directors. The term of office for a Director is currently four years and any director may be re-appointed. The Members may appoint Directors 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 Academy, 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

## The Beckfoot and Hazelbeck Trust Trustees' Report

and financial matters (with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees). Trustees are aware that a budget is available to support training needs on request.

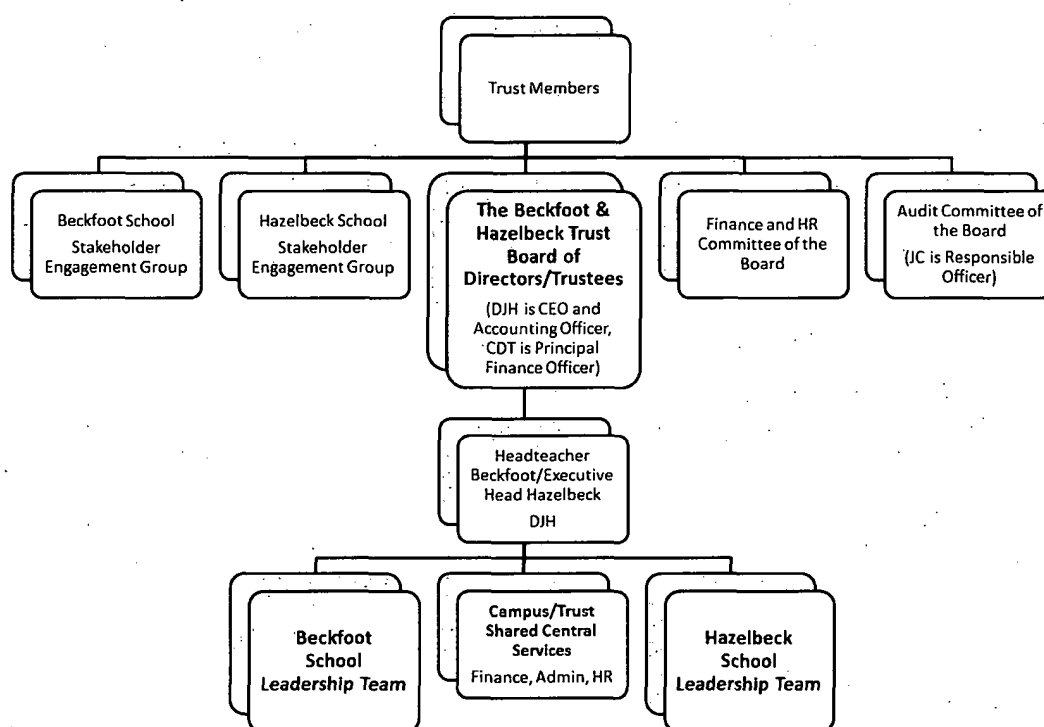
### Principal Activities

The principal activities and objects of The Beckfoot and Hazelbeck 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.

### 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 the Beckfoot and Hazelbeck 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 setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and management accounts and making major decisions about the direction of the Academy, capital expenditure, appointment of auditors and senior staff appointments.

The Finance and HR Committee has delegated responsibility for financial management of Beckfoot and Hazelbeck Schools, specifically for delegating responsibility to the Headteacher, recommending budgets to the board, identifying variances from approved budgets, managing

Headteacher performance and remuneration and approving the remuneration of higher paid staff.

The Audit Committee is made up of one Director acting as Responsible Officer (RO) and the remaining directors not on the Finance and HR Committee. 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 and when necessary including Student Discipline Committee and Staff Discipline and Grievance Committee.

The Headteacher of Beckfoot School is also Executive Headteacher of Hazelbeck School (Headteacher) and manages the strategic, operational and financial business of the schools as delegated by the Trust Board. The Headteacher is also the Trust's Chief Executive and Accounting Officer.

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

The Leadership Teams manage the schools at an executive level implementing the policies laid down by the Trustees/Directors and reporting back to them regularly. As a group, the Leadership Teams are responsible for the authorisation of spending within agreed budgets. Some spending control is devolved to members of the management team with financial limits above which a senior manager must countersign.

#### **Connected Organisations including Related Party Relationships**

Trustees are required to make a declaration of interest annually in order to enable the Trust to identify related parties. Four 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 23.

Beckfoot School is an active member of the Bradford Partnership providing a formal arrangement for sharing best practice and data for system improvement. Hazelbeck Special School is an active member of the special school, District Achievement Partnership (DAP) providing a formal arrangement for sharing best practice and data for system improvement.

#### **Objectives and Activities**

##### **Inclusive Education**

Beckfoot School is a 1630 place secondary school that moved into new buildings on its existing site in June 2011. As part of the redevelopment Beckfoot was joined on site by Hazelbeck Special School devised to create an inclusive learning community where students from both schools could learn and live together. The collaboration between the two schools was formalised within the corporate structure of a Multi-Academy Trust in August 2013. Both schools share similar visions and believe that every student has talent and deserves access to the very best possible learning experience. The co-location of Beckfoot and Hazelbeck makes the community a very special place in which to work and learn.

In March 2014, the DfE approved Beckfoot School as a potential Academy Sponsor and from that time it has been discussing potential sponsorship projects with the Trust.

### **A Three year Strategic Vision**

Beckfoot and Hazelbeck are very ambitious schools with a restless determination to see their students succeed.

**Beckfoot:** We want all Beckfoot students to enjoy school, be independent learners and to expect success. Our job is to equip every Beckfoot learner with the skills and qualities needed to succeed in an ever-changing world. Our ambition is that by 2015, all Beckfoot students will make 'more than expected' progress from their starting point in Year 7 to when they sit external exams in Year 11. The vast majority of students will make at least four levels of progression during that time. Post 16 achievement will continue to be 'Outstanding'.

**Hazelbeck:** At Hazelbeck our core purpose is to provide a learning environment which enables every student to feel safe, secure, valued and happy. One that will enable our learners to develop as fully as possible their self-help, independence, communication and social skills so that when they leave school they enjoy life, are healthy, confident and able to achieve personal goals. By 2015, taking account of each student's starting point and need, the school will be able to demonstrate that all groups of learners make outstanding progress and consolidate their learning.

The charitable company's objects are summarised under the Principal Activity heading earlier in this report.

### **Improvement Strategies and Activities**

Beckfoot and Hazelbeck Schools have separate but complimentary strategies and visions. Each has a three year strategic plan with activities identified to achieve the objectives.

#### **Beckfoot School Improvement Strategies 2012-15**

##### **Priority 1 Beckfoot Teachers Teach Good or Better Lessons Every Day**

New strategies to increase discussion about best practice in the classroom and to free colleagues to innovate and take risks:

- Appointment of Faculty Teaching Champions to be advocates for innovation and risk taking within faculties
- Use of 'Outstanding' Teachers to coach and mentor colleagues
- Promote Peer Observation and Self-reflection against teaching and leadership standards

##### **Priority 2 A Curriculum that Challenges and Excites Students to Learn**

- Every student is Literate and Numerate by the end of Year 8 and ready to access the three year KS4 programme
- Introduction of Cross Curriculum 'Deeper Learning Days' (to include PSHE) that promote a deeper appreciation of culture, citizenship, work, life and how we learn
- A more Flexible Curriculum allowing for wider learning and community outreach opportunities, including those with Hazelbeck
- Re-invent homeworking as Extended Learning Independent Studies

##### **Priority 3 Support for Learners**

Development of support and challenge strategies that encourages greater independence amongst learners:

- Establish an e-Portfolio for every student to evidence the wider skills and participation expected of the 'Beckfoot Learner'
- Establish a Parent Partnership Programme that enhances support for every learner



**Priority 4 Nurturing Leadership Qualities**

- Develop Personalised Appraisal and Professional Development Programmes that ensure staff flourish as effective leaders of school improvement: Includes programmes dedicated to NQT, '2-5 years in', post threshold, middle to senior leadership, Teaching Assistants and support staff
- Continue to Develop the Role of Student Leaders and ex-students in all the work of the school

**Hazelbeck School Improvement Strategies 2012-15**

**Priority 1** All teachers and support staff deliver good or better lessons that promote independence

- To develop a collaborative model of practice within the 'Teachers and HLTA' Group where best practice in teaching is shared, innovation is celebrated and risks are taken to ensure that learners are challenged to make progress
- To develop a joint campus approach, sharing best practice and enabling students to make progress as learners. Expand the 'Good to Outstanding Teacher' scheme, broaden out the 'Teaching and Teaching Assistant Champions' initiative to include colleagues from both schools

**Priority 2** A curriculum that challenges and excites students to learn

Develop an exciting personalised curriculum that builds on independence skills with the following features:

- Allows good progress to be made for all groups of learners through all key stages
- Acknowledges the growing maturity of students as they progress through the school
- Allows for a broader range of independence, life and leadership skills to be developed in and out of school
- Maximises the co-location with Beckfoot
- Develop further the external spaces within the school environment as requested by student leaders: notably the playground and the sensory garden

**Priority 3** Nurturing Leadership Development

- Develop Personalised Appraisal and Professional Development Programmes that ensure staff flourish as effective leaders of school improvement including programmes dedicated to support staff, NQTs, 2-5 years in, post threshold and middle to senior leadership
- Continue to involve and promote the role of student leaders in the development of the school

**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**

Beckfoot School's last full Ofsted Inspection was in June 2014 where the school was judged 'Outstanding' in all categories.

Hazelbeck School's last full Ofsted Inspection was in September 2011 where the school was judged as 'a satisfactory school that is moving forward on all fronts.'

### **Beckfoot School Three Year Results Trends 2012 – 2014**

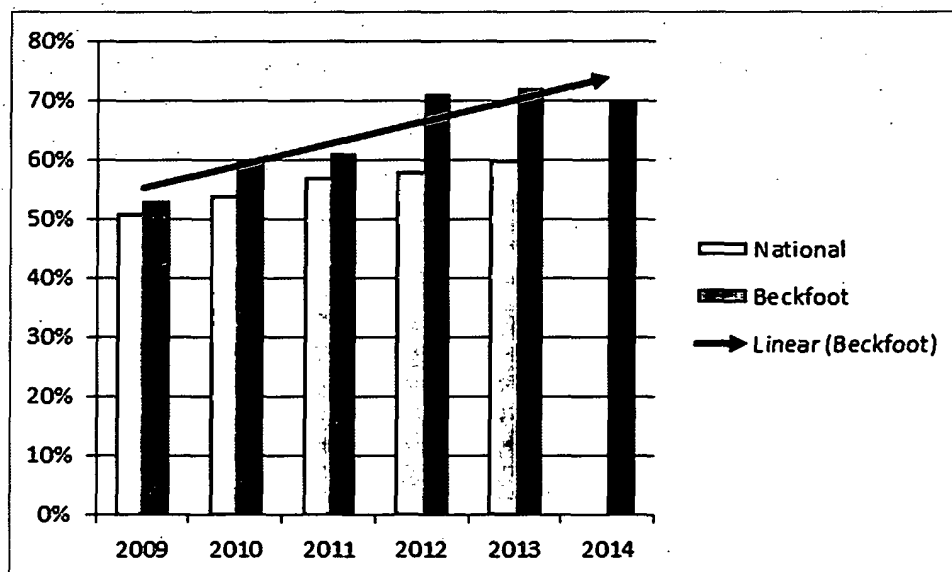
The headline GCSE 5A\*-C (EM) score at 70% was only 2% down on the school's best results of 72% last year. 80% of students achieved a C grade or better in both English and Maths. A

**The Beckfoot and Hazelbeck Trust  
Trustees' Report**

Level results remain strong and 99.5% of all exams sat were passed and the ALPS value added score for both A2 and AS is a 2.

<b>Beckfoot Achievement and Performance Table</b>			
<b>Key Stage 4 Year 11 GCSE Results</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Number in Year Group	269	266	266
% 5+ A* - C Including English & Maths GCSE	70.3	72.2	71.4
% 5+ A* - C E Bacc (En, Ma, Sc, Lang, Hi/Gg)	40.9	36.0	26.7
% 5+ A* - C	74.0	92.1	90.2
% 5+ A* - A	18.9	30.8	30.8
% 8 A* - C Including English & Maths GCSE	58.4	68.8	68.8
% 8 A*-G Including English & Maths GCSE	92.2	97.0	94.4
% 5+ A* - G	97.0	98.5	98.5
% Achieving at least one qualification	99.6	100.0	99.6
% 3+ levels of progress: English	83.6	86.0	84.2
% 3+ levels of progress: Maths	75.1	77.4	75.6
% 4+ levels of progress: English	39.8	41.0	41.7
% 4+ levels of progress: Maths	27.1	40.6	35.7
% 5+ levels of progress: English	8.2	8.0	N/A
% 5+ levels of progress: Maths	6.7	15.4	N/A
<b>Key Stage 5 Year 12 AS Results</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
A - E %	92.6	91.8	93.4
A - B %	37.5	38.3	39.6
A - C %	62.0	63	66.7
ALPS Value Added Grade	2	5	2
<b>Key Stage 5 Year 13 A2 Results</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
A* - E %	99.5	99.7	99.7
A* - B %	55.9	54.5	53.1
A* - C %	80.0	85.3	85.2
Average Points Score UCAS	340	348	318
ALPS Value Added Grade	2	5	3

**Graph 1 – Beckfoot Linear Trend of 5A\*-C GCSE (Including Maths & English) Over 6 Years**



In 2014 Beckfoot was recognised by Ofsted as an outstanding in all areas. The Ofsted report stated 'Students make exceptional progress in different subjects and in different year groups. They have high aspirations and support each other in achieving high standards.'

#### **Hazelbeck School Three Year Results Trends 2012 – 2014**

Hazelbeck is a rapidly improving special school with consistent improvements in student progress against a wide variety of measures. The table below identifies pupil progress against their own starting point towards targets set in line with the progression guidance. Students have made outstanding progress:

Subject	June 2014	May 2013
	Making expected and above expected progress	Making expected progress and above expected progress
English	93%	75%
Maths	93%	77%
Science	97%	83%
ICT	95%	74%
PSD	94%	83%

The table below compares Hazelbeck student progress with a National cohort of similar students and identifies a very positive trend over three years.

Hazelbeck Achievement and Performance Table CASPA Comparison Data			
% of students making expected or above expected progress against a National cohort of similar children	2014	2013	2012
Language and Literacy	93%	97	89
Mathematics	91%	96	88
Science	91%	98	82
Information Communication Technology (ICT)	98%	92	95
Personal and Social Development	91%	98	80

### **Going Concern**

After making appropriate enquiries, the directors have a reasonable expectation that The Beckfoot and Hazelbeck 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 Principal Accounting Policies.

### **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, cash position and overall reserves.

### **Financial Review**

The financial statements show a surplus for the year of (£74k) (2013: Surplus £655k). There is a pension adjustment in the statement of financial activities of (£105k), excluding this gives the trading surplus of £179k.

The balance sheet shows net assets of £729k including a pension deficit of £1,729k. This is an increase of £74k compared to 2013. The level of funds exceeds the reserves policy for both Beckfoot and Hazelbeck.

### **Financial and Risk Management Objectives and Policies**

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

- 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.

### **Principle Risks and Uncertainties**

The Beckfoot and Hazelbeck Trust actively manages risk through the monitoring, review and updating of the Trust's Risk Register. The risk register is reviewed at all Finance and HR Committee meetings. A summary of the two key risks and the control measures in place are noted below:

- 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
- Legal claims are made against either school – controlled by DfE advice obtained prior to conversion to mitigate risks if they transpire

Additionally, the Trust creates an individual risk register for each Sponsorship opportunity presented to Beckfoot School by the DfE.

### **Reserves Policy**

The Beckfoot and Hazelbeck Trust has 3 categories of reserves: Restricted General Funds, which is GAG funding used to carry out the principal objects of the organisation, Fixed Asset Reserve used to finance fixed assets and Unrestricted Reserves which is used under the direction of the board of directors and which has been delegated to the Governing Body.

The unrestricted reserves of £988k (2013: £826k) are freely available for general purposes. The trustees have designated £466k to be used for the repair and maintenance of certain fixed assets over their lifetime. These will be allocated in line with the strategic objectives of The Trust. The restricted funds of £259k (2013: £171k) deficit includes and pension liability of £1,729k (2013: £1,624k) and fixed asset funds of £1,006k (2013: £1,342k). Without these the

restricted funds are £464k (2013: £111k). It is the policy of the trust to maintain an unrestricted reserve level of at least £190k split as Beckfoot £150k and Hazelbeck £40k.

### **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 rather than to maximise return. The Academies current investment policy is to maximise income but from a low risk strategy. All monies are currently held on bank deposit and are attracting interest.

### **Plans for Future Periods**

#### **Three Year Strategic Plans**

Beckfoot and Hazelbeck schools have clear an ambitious three year strategic plans written to cover the academic years 2012-2014. These plans are described fully in the section above entitled Objectives and Activities.


As a result of the success of Beckfoot school, the DfE is keen for the trust to take on the sponsorship of other schools and hence to expand. This is currently being considered and the board are in the second stage of due diligence with regard to the sponsorship of Belle Vue Boys school in Bradford.

### **AUDITOR**

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

The trustees have confirmed that, as far as they are aware that there is no relevant audit information of which the charitable company's auditor is unaware. The trustees have confirmed that they 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 it has been communicated to the auditor.

Trustees' report incorporating a strategic report, approved by order of the board of trustees on 4 December 2014 and signed on its behalf by:



4/12/2014

Mr J M C Cole  
Vice Chair of Trustees

## GOVERNANCE STATEMENT

### Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that The Beckfoot and Hazelbeck 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 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 between The Beckfoot and Hazelbeck 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 five times in the period 1<sup>st</sup> September 2013 to 31<sup>st</sup> August 2014.

<i>Director</i>	<i>Meetings Attended</i>	<i>Out of a Possible</i>
S Ali	5	5
C J Burland	5	5
J M C Cole	5	5
C Connolly	3	5
D J Horn	4	5
M J Kelly	3	5
R Lawrence	3	5
J M Lee	4	5
S J Pierce	5	5
C D Tebbutt	5	5
S K Tollervey	3	5
J Winkley	4	5

The Finance and HR Committee is a sub-committee of the main board of trustees. It has delegated responsibility for financial management of Beckfoot and Hazelbeck Schools, specifically for delegating responsibility to the Headteacher, recommending budgets to the board, identifying variances from approved budgets, managing Headteacher performance and remuneration and approving the remuneration of higher paid staff. The Finance and HR Committee has met eleven times in the period 1<sup>st</sup> September 2013 to 31<sup>st</sup> August 2014.

<i>Director</i>	<i>Meetings Attended</i>	<i>Out of a Possible</i>
J M C Cole	8	11
D J Horn	9	11
M J Kelly	10	11
J M Lee	9	11
S J Pierce	11	11
C D Tebbutt	11	11
J Winkley	5	11

## **The Beckfoot and Hazelbeck Trust Governance Statement**

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<sup>st</sup> September 2013 to 31<sup>st</sup> August 2014.

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

### **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 The Beckfoot and Hazelbeck Trust for the year ended 31<sup>st</sup> August 2014 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the 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 year ended 31<sup>st</sup> August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

### **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 John Cole, a trustee, as Responsible Officer (RO). The RO is Chair of the Audit Committee of the board of trustees. The RO has appointed an external party to complete a series of internal control checks. The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a regular

basis, the RO will report to the board of trustees on the operation of the systems of control and on the discharge of the board's financial responsibilities. During the 2013/14 Financial Year there have been two RO reports, the first with a broad focus across all systems and the second focusing on non-grant income. The findings of these reports have been positive and useful with a small number of recommendations being incorporated within the financial procedures.

### **Review of Effectiveness**

As accounting officer, David Horn, the Headteacher 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 responsible officer and the appointed third party
- 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 effectiveness of the financial management of the predecessor schools

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 4 December 2014 and signed on its behalf by:



Mr J M C Cole  
Vice Chair of Trustees



Mr D J Horn  
Accounting officer




## STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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.

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.

A handwritten signature in black ink, appearing to read 'D J Horn', with a stylized flourish at the end.

Mr D J Horn  
Accounting officer

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees, who act as governors of Beckfoot and Hazelbeck 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
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 with 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 4 December 2014 and signed on its behalf by:



Mr J M C Cole  
Vice Chair of Trustees

## **INDEPENDENT AUDITOR'S REPORT**

### **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF TO THE MEMBERS OF THE BECKFOOT AND HAZELBECK TRUST LIMITED**

We have audited the financial statements on pages 21 to 45. 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).

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 Statement of Trustees' Responsibilities, 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 mis-statement, 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. 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 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended.
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Academies Accounts Direction 2013 to 2014 issued by the EFA.
- Have been prepared in accordance with the requirements of the Companies Act 2006.

**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.

 11/12/14

**Jonathan Davis**  
**Senior Statutory Auditor**  
**For and on behalf of**

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

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

In accordance with the terms of our engagement letter dated 18 October 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the academy trust during the period 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of The Beckfoot and Hazelbeck Trust's accounting officer and the reporting auditor**

The accounting officer is responsible, under the requirements of The Beckfoot and Hazelbeck Trust's funding agreement with the Secretary for State for Education dated 1<sup>st</sup> August 2013 and the Academies Financial Handbook, extant from 1 September 2013, 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 Academies Accounts Direction 2013 to 2014. 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 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusions includes:

- Risk based sample testing on income and expenditure.
- Review of the systems and internal controls in place.

**The Beckfoot and Hazelbeck Trust  
Independent Auditor's Report**

- Making appropriate enquiries of the Accounting Officer.

**Opinion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 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**

11/12/14.

**For and on behalf of**

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

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2014 (Including the Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

		Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2014 £000	1 Month Period To 31 Aug 2013 £000
	Note					
<b>Incoming resources</b>						
<i>Incoming resources from generated funds</i>						
Transfer on conversion		-	-	-	-	1,178
Voluntary income	1	10	-	-	10	
Activities for generating funds	2	173	-	-	173	9
Investment income	3	3	-	-	3	-
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	4	78	12,362	16	12,456	977
<b>Total incoming resources</b>		<b>264</b>	<b>12,362</b>	<b>16</b>	<b>12,642</b>	<b>2,164</b>
<b>Resources expended</b>						
<i>Cost of generating funds:</i>						
Costs of generating voluntary income	5	72	-	-	72	3
<i>Charitable activities:</i>						
Academy's educational operations	5,6	30	12,075	368	12,473	921
Exceptional Building Cost	6	-	-	-	-	309
Governance costs	5,7	-	99	-	99	33
<b>Total resources expended</b>		<b>102</b>	<b>12,174</b>	<b>368</b>	<b>12,644</b>	<b>1,266</b>
<b>Net incoming / (outgoing) resources before transfers</b>		<b>162</b>	<b>188</b>	<b>(352)</b>	<b>(2)</b>	<b>898</b>
Transfers	16	-	(16)	16	-	-
<b>Other recognised gains and losses</b>						
Actuarial gain/(loss) on defined benefit pension schemes	16,24	-	76	-	76	(243)
<b>Net movement in funds</b>		<b>162</b>	<b>248</b>	<b>(336)</b>	<b>74</b>	<b>655</b>
Funds/(Deficits) brought forward at 1 September 2013	16	826	(1,513)	1,342	655	-
<b>Funds/(Deficits) carried forward at 31 August 2014</b>	<b>16</b>	<b>988</b>	<b>(1,265)</b>	<b>1,006</b>	<b>729</b>	<b>655</b>

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 2014 (Company Number: 8155088)**

	Note	2014 £000	2014 £000	2013 £000	2013 £000
<b>Fixed assets</b>					
Tangible assets	12		853		1,205
<b>Current assets</b>					
Stock	13	5		-	
Debtors	14	246		1,353	
Cash at bank and in hand		3,610		997	
			<b>3,861</b>		<b>2,350</b>
<b>Creditors:</b>					
Amounts falling due within one year	15	(2,256)		(1,276)	
<b>Net current assets</b>			<b>1,605</b>		<b>1,074</b>
<b>Total assets less current liabilities</b>			<b>2,458</b>		<b>2,279</b>
<b>Net assets excluding pension liability</b>			<b>2,458</b>		<b>2,279</b>
Pension scheme liability	24		(1,729)		(1,624)
<b>Net assets including pension liability</b>			<b>729</b>		<b>655</b>
<b>Funds of the academy:</b>					
<b>Restricted funds</b>					
Fixed asset fund	16		1,006		1,342
General fund	16		464		111
Pension reserve	16		(1,729)		(1,624)
<b>Total restricted funds</b>			<b>(259)</b>		<b>(171)</b>
<b>Unrestricted funds</b>					
General fund	16		522		360
Designated funds	16		466		466
<b>Total unrestricted funds</b>			<b>988</b>		<b>826</b>
<b>Total funds</b>			<b>729</b>		<b>655</b>

The financial statements on pages 21 to 45 were approved by the Trustees and authorised for issue on 4 December 2014 and are signed on their behalf by:



Mr J M C Cole  
Vice Chair of Trustees



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2014

	Note	2014 £000	2013 £000
Net cash inflow from operating activities	18	2,626	997
Returns on investments and servicing of finance	19	3	-
Capital expenditure	12, 20	(16)	-
<b>Increase in cash in the period</b>	<b>21</b>	<b>2,613</b>	<b>997</b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September 2013		997	-
<b>Net funds at 31 August 2014</b>		<b><u>3,610</u></b>	<b><u>997</u></b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

### Statement of Accounting Policies for the Year Ended 31 August 2014

#### **Basis of Preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2013 to 2014 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### **Going Concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

The Beckfoot and Hazelbeck Trust is considered to be a going concern for the next 12 months based on budget forecasts and cashflow statements prepared.

#### **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 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.

**Resources Expended**

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

**Costs of Generating 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.

**Governance Costs**

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

**VAT**

VAT is recoverable on the majority of resources expended, if however it is not recoverable resources expended are shown inclusive of irrecoverable VAT.

**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 31<sup>st</sup> August 2014.

**Investments**

The academy's shareholding in the wholly owned and dormant subsidiary, Beckfoot School (Trading) Limited [company number: 8130928 incorporation date: 24<sup>th</sup> 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.

**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 and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 quinquennial valuations using a prospective benefit method. As stated in Note 24, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

### **Fund Accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency or Department for Education 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.

It is the policy of the Academy Trust to maintain a minimum unrestricted fund level of £150k for Beckfoot School and £40k for Hazelbeck School.

**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 and was accounted for under the acquisition accounting method at 1 August 2013.

The assets and liabilities transferred on conversion from the maintained schools Beckfoot School and Hazelbeck School to an academy trust were valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for The Beckfoot and Hazelbeck Academy Trust. The amounts were recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the SOFA and analysed under unrestricted, restricted general and restricted fixed asset funds. This happened during the previous financial period.

**The Beckfoot and Hazelbeck Trust**  
**Notes to the Financial Statements**

**1. Voluntary Income**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2014 £000</b>	<b>Total 2013 £000</b>
Donations	10	-	10	-
	10	-	10	-

**2. Activities for Generating Funds**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2014 £000</b>	<b>Total 2013 £000</b>
Lettings income	135	-	135	9
Catering income	17	-	17	-
Other income	21	-	21	-
	173	-	173	9

**3. Investment Income**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2014 £000</b>	<b>Total 2013 £000</b>
Short term deposits	3	-	3	-
	3	-	3	-

**4. Funding for Academy's Educational Operations**

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total 2014 £000	Total 2013 £000
<b>DfE/EFA grants</b>					
GAG	-	10,462	-	10,462	877
Start up grants	-	30	-	30	-
Capital	-	-	16	16	-
Other DfE/EFA Grants	-	379	-	379	-
	-	10,871	16	10,887	877
<b>Other Government grants</b>					
CBMDC SEN funding	-	1,335	-	1,335	100
<b>Other Grants and Income</b>					
Other grants	-	34	-	34	-
Music and Trip Income	30	122	-	152	-
Other income	48	-	-	48	-
	78	156	-	234	-
<b>Total Funding for Educational Operations</b>	<b>78</b>	<b>12,362</b>	<b>16</b>	<b>12,456</b>	<b>977</b>

## 5. Resources Expended

	Staff Costs £000	Premises £000	Non Pay Expenditure Other £000	2014 Total £000	2013 Total £000
Costs of activities for generating funds	41	31	-	72	3
Academy's educational operations					
<i>Direct costs</i>	8,030	251	971	9,252	654
<i>Allocated support costs</i>	535	2,095	591	3,221	576
	<b>8,565</b>	<b>2,346</b>	<b>1,562</b>	<b>12,473</b>	<b>1,230</b>
Governance costs including allocated support costs	57	-	42	99	33
	<b>8,663</b>	<b>2,377</b>	<b>1,604</b>	<b>12,644</b>	<b>1,266</b>

### Outgoing resources for the period include:

	2014 £000	2013 £000
Building provision cost	142	309
Fees payable to auditor – audit	9	9
Fees payable to auditor – other	4	-
Depreciation	368	33



## 6. Charitable Activities

	<b>Total 2014 £000</b>	<b>Total 2013 £000</b>
<b>Direct costs – educational operations</b>		
Teaching and educational support staff costs	8,030	623
Depreciation	251	29
Technology Costs	57	-
Educational supplies	224	2
Exam fees	174	-
Staff development	101	-
Educational consultancy	50	-
Educational trips and visit	144	-
Alternative curriculum provision	55	-
Other	166	-
	<b>9,252</b>	<b>654</b>
<b>Support costs – educational operations</b>		
Support staff costs	535	100
Depreciation	117	4
Technology PFI Costs	267	-
Admin Supplies and Services	125	-
Maintenance of premises and equipment	26	137
PFI Charges	1,880	-
Rates	69	-
Insurance	51	4
IT Licencing	36	-
Catering	79	-
Exceptional Cost	-	309
Other support costs	36	22
	<b>3,221</b>	<b>576</b>
	<b>12,473</b>	<b>1,230</b>

## 7. Governance Costs

	<b>Total 2014 £000</b>	<b>Total 2013 £000</b>
Legal and professional fees	29	20
Auditor's remuneration – other	4	-
Audit's remuneration	9	9
Support staff costs	57	4
	<b>99</b>	<b>33</b>

## 8. Staff Costs

	2014 £000	2013 £000
Staff costs during the period were:		
Wages and salaries	6,923	600
Social security costs	482	39
Pension costs	909	79
	<b>8,314</b>	<b>718</b>
FRS 17 Adjustment	181	12
Supply staff costs	96	-
Peripatetic teaching costs	72	-
	<b>8,663</b>	<b>730</b>

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

	2014 No.	2013 No.
<b>Charitable Activities</b>		
Teachers	112	110
Education Support	118	123
Management	12	11
	<b>242</b>	<b>244</b>

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

	2014 No.	2013 No.
£60,001 - £70,000	4	4
£70,001 - £80,000	1	-
£120,001 - £130,000	1	1
	<b>6</b>	<b>5</b>

Five (2013: four) of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2014, pension contributions for these staff amounted to £54,623 (2013: £3,795). The other employee participated in the Local Government Pension Scheme, pension contributions amounted to £10,014 (2013: £875).

## 9. Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. The value of trustees' remuneration was as follows:

Name	Staff Role	Trustees 2014	2013
D J Horn	Executive Head	£120,001 - £125,000	£120,001 - £125,000
S Pierce	Headteacher	£70,001 - £75,000	£65,001 - £70,000
C D Tebbutt	Business Manager	£65,001 - £70,000	£65,001 - £70,000
C J Burland	Teacher	£35,001 - £40,000	£30,001 - £35,000

During the period ended 31 August 2014, travel and subsistence payments totalling £nil (2013: £nil) were reimbursed to no trustees (2013: No trustees).

Other related party transactions involving the trustees are set out in note 23.

## 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 2014 was £1,188 (2013: £88). The cost of this insurance is included in the total insurance cost.

## 11. Central Services

The academy trust provides the following services on the following basis:

Service	Hazelbeck% of total cost	Beckfoot% of total cost	Basis for split
WYPF Fees	37%	63%	WYPF Staff Numbers (FTE)
Professional Services	33%	67%	Fair basis approved by board
Insurance	20%	80%	Balance of risk
Other overheads	10%	90%	Assessed Actual
Admin/Finance and HR			Salary Match
Headteacher			Salary Match
Business Manager			Time Allocation
Trust Administration			Time Allocation

The board have approved the method of allocation of these central costs. The actual amounts charged during the period were accrued in the relevant school as follows:

	2014 £000	2013 £000
Beckfoot School	199	75
Hazelbeck School	115	16
<b>Total Central Costs</b>	<b>234</b>	<b>91</b>

**The Beckfoot and Hazelbeck Trust**  
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**12. Tangible Fixed Assets**

	Leasehold Fixtures, Fittings and Equipment £000	ICT Equipment £000	Motor Vehicles £000	Total £000
<b>Cost</b>				
At 1 September 2013	353	842	43	1,238
Additions	14	2	-	16
At 31 August 2014	367	844	43	1,254
<b>Depreciation</b>				
At 1 September 2013	7	25	1	33
Charged in period	67	297	4	368
At 31 August 2014	74	322	5	401
<b>Net book values</b>				
<b>At 31 August 2014</b>	<b>293</b>	<b>522</b>	<b>38</b>	<b>853</b>
At 1 September 2013	346	817	42	1,205

**13. Stock**

	2014 £000	2013 £000
Student Shop	5	-

**14. Debtors**

	2014 £000	2013 £000
Trade debtors	13	-
VAT recoverable	32	22
Prepayments and accrued income	201	56
Due from Local Authority on conversion	-	1,275
	<b>246</b>	<b>1,353</b>

**15. Creditors: amounts falling due within one year**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	1	-
EFA Creditor	-	36
Other creditors	466	359
Accruals and deferred income	1,789	881
	<u><b>2,256</b></u>	<u><b>1,276</b></u>

	<b>2014</b>
	<b>£000</b>
<b>Deferred Income</b>	
Deferred income at 1 September 2013	-
Resources deferred in the year	81
Amounts released from previous years	-
Deferred income at 31 August 2014	<u><b>81</b></u>

At the balance sheet date the academy trust was holding funds received in advance for devolved formula capital, rates funding, SGO grant and partnership income.

Other creditors consists of the following provisions all made in full during the period ended 31 August 2014 in accordance with Financial Reporting Standard 12:

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
<b>Other Creditors</b>		
Property provision	451	309
Payroll provision	15	50
	<u><b>466</b></u>	<u><b>359</b></u>

**The Beckfoot and Hazelbeck Trust**  
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**16. Funds**

	Balance at 1 September 2014 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2014 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	65	10,787	(10,453)	(5)	394
Other Government grants	-	1,372	(1,372)	-	-
6th Form Bursary	46	48	(21)	(11)	62
Lottery Fund	-	9	(1)	-	8
Other grants/income	-	146	(146)	-	-
Pension liability	(1,624)	-	(181)	76	(1,729)
	<b>(1,513)</b>	<b>12,362</b>	<b>(12,174)</b>	<b>60</b>	<b>(1,265)</b>
<b>Restricted fixed asset funds</b>					
Assets transferred on conversion	1,205	-	(366)	-	839
Capital funds	137	16	-	-	153
Capital expenditure from GAG	-	-	(2)	16	14
	<b>1,342</b>	<b>16</b>	<b>(368)</b>	<b>16</b>	<b>1,006</b>
<b>Total restricted funds</b>	<b>(171)</b>	<b>12,378</b>	<b>(12,542)</b>	<b>76</b>	<b>(259)</b>
<b>Unrestricted funds</b>					
Designated - FFE fund	466	-	-	-	466
Unrestricted funds	360	264	(102)	-	522
	<b>826</b>	<b>264</b>	<b>(102)</b>	<b>-</b>	<b>988</b>
<b>Total funds</b>	<b>655</b>	<b>12,642</b>	<b>(12,644)</b>	<b>76</b>	<b>729</b>

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 6th Form Bursary fund is for providing grants to students in the 6th form to be used on the furtherance of educational objectives.

The lottery fund is for providing equipment for outdoor education for the special school.

Restricted fixed asset funds are used solely for capital purchases in line with the strategic objectives of The Beckfoot and Hazelbeck Trust.

The restricted pension fund is in deficit to the value of £1,729k as at 31 August 2014, which is in excess of the unrestricted funds, this is due to a lower return on our liabilities within this Financial Year. The trustees will continue to monitor this situation closely.

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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 2014

**Analysis of fund balance by school**

Fund balances at 31 August 2014 were allocated as follows:

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Beckfoot School	1,087	895
Hazelbeck School	365	179
Total before fixed assets and pension reserve	<u>1,452</u>	<u>1,074</u>
Restricted fixed asset fund	1,006	1,205
Pension Reserve	<u>(1,729)</u>	<u>(1,624)</u>
	<u>729</u>	<u>655</u>

**Analysis of costs by school**

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

	<b>Teaching and Educational Support Staff Costs £000</b>	<b>Other Support Staff Costs £000</b>	<b>Educational Supplies £000</b>	<b>Other Costs (excluding Depreciation) £000</b>	<b>Total £000</b>
Beckfoot School	6,206	698	1,053	2,131	10,088
Hazelbeck School	1,700	60	83	346	2,189
	<u>7,906</u>	<u>758</u>	<u>1,136</u>	<u>2,477</u>	<u>12,277</u>

**Analysis of net assets between funds**

Fund balances at 31 August 2014 are represented by:

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Restricted Fixed Asset Funds £000</b>	<b>Total Funds £000</b>
Tangible fixed assets			853	853
Current assets	1,439	2,269	153	3,861
Current liabilities	(451)	(1,805)	-	(2,256)
Pension scheme liability		(1,729)	-	(1,729)
<b>Total net assets</b>	<u>988</u>	<u>(1,265)</u>	<u>1,006</u>	<u>729</u>

## 17. Financial Commitments

At 31 August 2014 the academy trust had annual commitments under non-cancellable operating leases and other agreements as follows:

	2014	2013
	£000	£000
<b>Other Operating Leases</b>		
Expiring within one year	-	-
Expiring within two and five years inclusive	360	92
Expiring in over five years	1,759	1,170
	<u>2,119</u>	<u>1,262</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.

## 18. Reconciliation of Net Income to Net Cash Inflow from Operating Activities

	2014	2013
	£000	£000
Net income	(2)	910
Depreciation (note 12)	368	33
FRS 17 pension cost less contributions payable (note 24)	193	(14)
FRS 17 pension finance income (note 24)	(12)	2
Interest receivable	(3)	-
Increase in fixed assets on conversion	-	(1,238)
Increase in stock	(5)	-
Decrease/(Increase) in debtors	1,107	(1,353)
Increase in creditors	980	1,276
Transfer in of pension scheme liability	-	1,381
<b>Net cash inflow from operating activities</b>	<u>2,626</u>	<u>997</u>

## 19. Returns on Investment and Servicing of Finance

	2014	2013
	£000	£000
Interest received	3	-
<b>Net cash inflow from returns on investment and servicing of finance</b>	<u>3</u>	<u>-</u>

## 20. Capital Expenditure and Financial Investment

	2014	2013
	£000	£000
Purchase of tangible fixed assets	(16)	-
<b>Net cash outflow from capital expenditure and financial investment</b>	<u>(16)</u>	<u>-</u>



## 21. Analysis of Changes in Net Funds

	At 1 September 2013 £000	Cash Flows £000	At 31 August 2014 £000
Cash in hand and at bank	997	2,613	3,610

## 22. 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.

## 23. Related Party Transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which 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
Titus Salt School	J Cole (trustee of the trust) is a governor	Sales of £480 relating to CPD recharges
Nell Bank	J Cole (trustee of the trust) is a trustee	Purchases of £2,278 relating to a year 7 trip
Bradford Partnership	D Horn (Executive head and trustee of the trust) is a director H Griffin (trustee of the trust) is an employee	Membership fees of £10,000 paid for 2013/14 and 2014/15. £20,000 spent in total
Bradford Council	H. Griffin (trustee of the trust) is an employee	The trust has service level agreements for a number of services with the council and has spent £9,203,799 which largely relates to salary costs. A further £1,911,000 was spent via the council of PFI charges

## **24. 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 defined-benefit schemes and are applicable to staff in both Beckfoot School and Hazelbeck School.

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 period. The obligation in respect of the 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 was 31 March 2004 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.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

#### **Valuation of the Teachers' Pension Scheme**

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 for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

### **Teachers' Pension Scheme Changes**

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representative bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme with commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy 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 2014 was £655k, of which employer's contributions totalled £321k and employees' contributions totalled £141k. 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.

**The Beckfoot and Hazelbeck Trust**  
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<b>Principal Actuarial Assumptions</b>	<b>At 31 August 2014</b>	<b>At 31 August 2013</b>
Rate of increase in salaries	3.6%	4.7%
RPI Inflation increase	3.1%	3.7%
CPI Inflation increase	2.1%	2.8%
Discount rate for scheme liabilities	3.7%	4.5%
Rate of increase in deferred pensions	2.1%	2.8%
Rate of increase to pensions in payment	2.1%	2.8%
Rate of revaluation of pension accounts	2.1%	n/a
<i>Commutation of pensions to lump sums</i>	75%	75%
pre April 2010 entitlement	50%	50%
post April 2010 entitlement	75%	75%

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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 2014	At 31 August 2013
<b>Retiring today</b>		
Males	22.5	22.1
Females	25.4	24.3
<b>Retiring in 20 years time</b>		
Males	24.7	23.9
Females	27.7	26.2

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

	Expected return at 31 August 2014	Fair Value at 31 August 2014 £000	Expected return at 31 August 2013	Fair Value at 31 August 2013 £000
Equities	75.10%	3,545	7.9%	2,844
Property	3.30%	156	7.4%	116
Government Bonds	10.30%	486	3.4%	444
Corporate Bonds	5.20%	245	4.1%	222
Cash	3.90%	184	0.9%	148
Other	2.20%	105	7.9%	117
<b>Total market value of assets</b>		<b>4,721</b>		<b>3,891</b>
Present value of scheme liabilities		6,450		(5,515)
<b>Deficit in the scheme</b>		<b>(1,729)</b>		<b>(1,624)</b>

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.

The Beckfoot and Hazelbeck Academy 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 2014.

The actual gain on scheme assets for 2014 was £416k (2013: loss (£94k)).

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**Amounts recognised in the Statement of Financial Activities**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Current service cost (net of employee contributions)	514	38
<b>Total operating charge</b>	<b>514</b>	<b>38</b>
<b>Analysis of pension finance costs</b>		
Expected return on pension scheme assets	(274)	(21)
Interest on pension liabilities	262	19
<b>Pension finance costs</b>	<b>(12)</b>	<b>(2)</b>

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 17 is a £167k loss (2013: £243k loss).

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

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
<b>At 1 September</b>	<b>5,515</b>	<b>5,321</b>
Current service cost	514	38
Interest cost	262	19
Employee contributions	141	10
Actuarial loss	66	128
Benefits paid	(48)	(1)
<b>At 31 August</b>	<b>6,450</b>	<b>5,515</b>

**Movements in the present value of academy's share of scheme assets:**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
<b>At 1 September</b>	<b>3,891</b>	<b>3,952</b>
Expected return on assets	274	21
Actuarial gain	142	(115)
Employer contributions	321	24
Employee contributions	141	10
Benefits paid	(48)	(1)
<b>At 31 August</b>	<b>4,721</b>	<b>3,891</b>

The estimated value of employer contributions for the period ending 31 August 2015 is £479k.

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

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Present value of defined benefits obligations	(6,450)	(5,515)
Fair value of share of scheme	4,721	3,891
<b>Deficit in scheme</b>	<b>1,729</b>	<b>(1,624)</b>
<hr/>		
<b>Experience gains/(losses) on share of scheme assets amounts</b>	<b>142</b>	<b>(115)</b>
<hr/>		
<b>Experience adjustments on scheme liabilities amounts</b>	<b>-</b>	<b>-</b>
<hr/>		