

**BATLEY ACADEMY TRUST**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**For the year ended 31 August 2015**

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Reference and Administrative Details

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Registered Office & Principal Place of Business	Batley Grammar School Carlinghow Hill Batley WF17 0AD	
Company Registration Number	07509409	
Members	Mr Ian Blamires Prof John Double Mr Alistair Hartley Mrs Amanda Keeton Mr Jonathan Kidd Mrs Joan Law Mrs Fiona Monk Mr David Peel	Resigned 31/08/15   Appointed 01/09/15 Appointed 01/09/15 Resigned 31/08/15 Appointed 01/09/15 Resigned 31/08/15
Governors	Mr Ian Blamires Mr Roland Clark Prof John Double Mr John Forster Mr Alistair Hartley Mrs Amanda Keeton Mr Jonathan Kidd Dr Bernard Knowles Mrs Joan Law Mrs Fiona Monk Mr David Peel Mr Ebrahim Suleman Mrs Brigid Tullie Dr Yasmin Zia	Chair Community    Chair of Governors Deputy Chair Chair of Estate & Health & Safety  Chair Curriculum, Standards & Pastoral Chair of Finance Head and Accounting Officer
Company Secretary	Mr Paul Bevington	
Senior Leadership Team	Mr Paul Bevington Mr Paul Hampson Ms Jane Jackson Mr Gary Kibble Mrs Fiona Kilby Mr Jerry Sanderson Mr Andrew Smeaton Mrs Brigid Tullie	Finance & Business Development Manager Assistant Head, Behaviour Pastoral & Attendance Director of Primary Phase Deputy Head, Achievement Assistant Head, Teaching & Learning Deputy Head Assistant Head, Curriculum Head and Accounting Officer
Statutory Auditor	Brown Butler Leigh House 28-32 St Paul's Street Leeds LS1 2JT	
Bankers	HSBC Bank plc PO Box 105 33 Park Row Leeds LS1 1LD	Lloyds Bank plc 75 Commercial Street Batley WF17 5EQ
Solicitors	Chadwick Lawrence LLP 2a Red Hall Crescent Paragon Business Centre Wakefield WF1 2DF	

The governors present their annual report together with the financial statements and auditors' report of the Academy Trust for the year ended 31 August 2015. The annual report serves the purposes of the governors' report, a directors' report and strategic report under Company Law.

#### Principal Activity

The principal activity of the Academy Trust is the operation of Batley Grammar School which it took over from Batley Grammar School Foundation on 1 September 2011. Batley Grammar School is an all through (aged 4 to 18 years) co-educational, comprehensive intake for the benefit of up to 700 local children and the community.

#### Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Academy Trust is called Batley Academy Trust but operates under the name of Batley Grammar School & Priestley House.

The governors act as the trustees for the charitable activities of Batley Academy Trust and are also its directors for the purposes of company law.

The current governors and those who served throughout the year are set out on page 2.

#### Members' Liability

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

#### Governors' Indemnities

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 (2014: £1,000,000) on any claim and the cost for the year ended 31 August 2015 was £1,514 (2014: £1,514).

The cost of this insurance is included in the total insurance cost.

#### Method of Recruitment and Appointment or Election of governors

The governors' aim is to recruit responsible people who are actively interested in the Academy Trust, with relevant experience and can give the necessary time commitment.

Members of the Academy Trust may appoint up to twelve governors. The members may also appoint staff governors through any process they see fit, provided that the total number of governors (including the Head) who are employees of the Academy Trust does not exceed one third of the total number of governors. There must be at least two parent governors, elected by parents of pupils at the Academy. Parent governors must be parents of pupils on roll at the Academy at the point at which the parent governor is elected. The Head is an ex-officio governor of the Academy. The governors may appoint up to three co-opted governors and the Secretary of State may appoint additional governors.

An induction procedure is in place for new governors as and when appointed. All governors are made aware of and encouraged to attend relevant training opportunities organised by the Academy and/or external providers.

### Organisational Structure

The board of governors meet at least three times a year. Their roles and responsibilities are as set out in the Articles of Association and the Funding Agreement.

The governors have also established the following sub-committees with their own terms of reference and delegated authority:-

- Finance and General Purposes
- Estates and Health and Safety
- Human Resources and Staffing
- Curriculum, Standards, Pastoral and Community

Committees will be established by the governors when required to exercise the functions set out in the scheme of delegation for:

- Staff Dismissal Appeal Committee
- Pupil Discipline Committee
- Staff Appeals Committee
- Complaints Appeal Committee
- Admissions Committee
- Pay Appeals Committee
- Pay Committee

The following powers are delegated to the Head:

- appointment and dismissal of staff, including teaching staff apart from the SLT. Subject to the overall number of staff being agreed by the Governing Body.
- provision of advice to the Admissions Committee on applications for admission.
- to deal with discipline and grievance involving employees other than those expressly delegated by the governors to committees.
- in conjunction with the School Leadership Team draw up the School Improvement and Development Plans for consideration by the relevant sub-committees and for approval by the Governing Body.
- the Head shall act as "accounting officer" being responsible to the governors for:
  - ensuring financial regularity and propriety.
  - ensuring prudent and economical administration.
  - avoidance of waste and extravagance.
  - securing value for money through the efficient effective and economic use of available resources.
  - the day to day organisation, staffing and management of the Academy.

### Connected Organisations

The Academy Trust leases its operational premises from Batley Grammar School Foundation, a registered charity, and has 3 governors in common.

### Objectives and Aims

- to encourage the highest achievement levels of which pupils are capable and, in so doing, to promote a love of learning.
- to promote and develop the physical, spiritual, moral and social well being of all pupils.
- to create a caring environment with well-mannered, respectful, hard working and happy pupils showing consideration for others.
- to develop self-respect, self-esteem, self-confidence and self-discipline.
- to promote teamwork between pupils, parents and staff.
- to develop responsible and enthusiastic individuals with a growing ability to work as independent learners.
- to equip pupils to understand the world beyond school and to make an effective contribution to it.

### Strategies and Activities

The Senior Leadership Team, along with governors, has developed a school improvement plan detailing how the school's objectives can be best accomplished. The main features of this plan are designed to maximise the highest levels of achievement for all pupils and create an environment of continual improvement, focusing more immediately on getting to "outstanding" in OFSTED terms. The improvement plan currently focuses on the specific areas of:

- Accelerating student and pupil progress in all key subjects.
- Further improve the quality of teaching in all subjects with specific focus on meeting the needs of high ability students.
- Further improve the effectiveness of 6<sup>th</sup> form provision.
- Improve the effectiveness of provision in the early years.

### Public Benefit

The Academy Trust's governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers. The principal public benefit delivered by the Academy Trust is the provision of a high-quality education to students, in line with the articles of association, as evidenced below.

## Strategic Report

Following its Ofsted inspection in January 2015 the school was judged to be a good school overall with outstanding aspects of leadership and management at all levels recognised by inspectors.

In addition the school has benchmarked its performance against its comparators and has used this data to evaluate its effectiveness in each key stage area.

### Achievements and Performance

Results for 2015 were very good in both primary and secondary phases;

#### Primary

2015 KS2 Pupil results (Attainment) and Achievement (progress) are as follows:

##### 2015 KS2 pupil results

- % level 4 + (Re, Wri, Ma) 86%, this is above the national average
- % level 5 (Re, Wri, Ma) 36%, this is above the national average
- Pupils making 2 levels of progress is at least in line with national
- Pupils making 3 levels of progress is at least in line with national and above in mathematics

#### Secondary KS4

Significant progress was made in 2015 in relation to secondary achievement with sharp improvements at KS4

Performance indicator	2015
5A* - C (incl. English & Maths)	71.40
EBACC (English Baccalaureate)	46.40
A* - C In both English & Maths (Basics)	71.40
5A* - C	83.30
A* - C English	86.90
A* - C Maths	86.20
5A* - G	100
At least 1 qualification	100
3A*/As	27.40
Capped Average point score per pupil (best 8)	349.56

	3 Levels Progress English	4 Levels Progress English	3 Levels Progress Maths	4 Levels Progress Maths
% pupils achieved	83.3%	41.7%	58.3%	21.4%

#### Sixth Form

- Post 16 achievement at A level showed a further improvement in 2015
- The A level percentage pass rate increased for the third year in succession to 100% with 42% of entries being the top grades of A\*, A and B and 65% being grade C or above
- The average point score per candidate increased in 2015 to 705 with the average points score per entry increasing to 203

### Financial Review

The majority of the Academy Trust's income is obtained from the EFA in the form of the General Annual Grant (GAG) and it also receives other grants such as special educational needs funding. In accordance with its accounting policies, these grants are shown as restricted funds. The Academy Trust also receives unrestricted funds which include facility hire, management fees and donations.

During the year ended 31 August 2015, expenditure from restricted general funds (excluding restricted capital expenditure) of £3,616,048 was covered by GAG and other restricted incoming resources. The income over expenditure on general restricted funds was £56,684 and this was added to reserves brought forward. During the year fixed assets were purchased from the surplus brought forward and this resulted in a transfer to the restricted fixed asset funds of £259,795. There is no restriction of the amount of GAG that may be carried forward, however the surplus must continue to be used to meet the normal running costs of the Academy.

The excess of income over expenditure on unrestricted funds was £52,041 for the year and this was added to the surplus brought forward to give a surplus at 31 August 2015 of £128,762. This can be used for any purposes within the Academy Trust's charitable objects.

The Academy Trust also received capital funding of £336,152 during the year and details are shown in the notes to the financial statements.

### Going Concern

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

### Reserves Policy

The governors consider it prudent that the Academy Trust maintains sufficient reserves to meet unexpected expenditure. While a formal target level has not yet been set, it is the aim of the Governors to use these funds to meet its long term strategic objectives as set out in the School Development Plan.

At the year end, the Academy Trust had £675,969 in restricted general funds and £128,762 in unrestricted funds. Whilst the bulk of the Academy Trust's expenditure comes out of the restricted general fund, the governors plan to slowly build up the level of unrestricted funds.

The deficit in the Local Government Pension Scheme of £170,000 is recognised in the balance sheet. However, due to the long term nature of the deficit, it is not expected to have any material impact on the viability of the Academy Trust.

### Investment Policy

The Academy Trust's funds are held in bank current and deposit accounts which are low risk investments.



### Principal Risks and Uncertainties

The governors examine the major risks that the Academy Trust faces each financial year when preparing and updating the risk register, school development plan and the strategic plan. The Academy Trust has developed systems to monitor and control these risks to mitigate any impact that they may have on the Academy Trust in the future.

The principal risk remains a financial one, caused by a drop in the student roll and the consequent impact on funding. Several hazards could trigger the risk but all have been identified and mitigated through the risk strategy and procedures. This includes a strategic review of the school's key stages and increase in the schools pupil admission number.

There is a comprehensive set of insurance policies in place to cover all statutory and contractual requirements.

### Plans for Future Periods

The trust intends to continue working to obtain an "outstanding" judgement by OFSTED and EFA. Financial prudence and clear probity will continue so a surplus can be built to protect against any unforeseen impacts while channelling maximum resources into the achievement of pupils.

To continue work on the closure of the schools 6<sup>th</sup> form and to increase the number of students educated in the 11-16 key stages.

### Auditor

So far as the governors are aware, there is no information relevant to the audit of which the company's auditors are unaware. The governors have taken the necessary steps to ensure they themselves are aware of all relevant audit information and made sure that the company's auditors are also aware of that information.

The auditors are reappointed annually within a 3 year review and retender cycle.

The Governor's Report, incorporating a strategic report was approved by order of the Board of Governors on 17 December 2015 and signed on its behalf by:

.....  
A Hartley  
Chair

### Scope of Responsibility

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

The Board of Governors has delegated the day-to-day responsibility to the Head, as Accounting Officer, for ensuring financial controls conform to 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 Batley Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governor's Report and in the Statement of Governors' Responsibilities. The full Board of Governors has formally met five times during the year. Attendance during the year at meetings of the full Board and sub-committees was as follows, some governors participate in more sub-committees than others:

#### Attendance

		Meetings attended of a possible	
		Full Board	Sub C'tees
<b>Governors</b>			
Mr Ian Blamires		1/5	5/5
Mr Roland Clark		4/5	3/4
Prof John Double		5/5	8/9
Mr John Forster		3/3	3/3
Mr Alistair Hartley		5/5	10/12
Mr Jonathan Kidd		5/5	10/10
Dr Bernard Knowles		1/1	1/1
Mrs Joan Law		5/5	6/9
Mrs Fiona Monk		4/5	5/5
Mrs Amanda Keeton	Deputy chair	3/5	9/9
Mr David Peel		5/5	9/9
Mr Ebrahim Suleman	Chair of Finance	5/5	3/4
Mrs Brigid Tullie	Head and Accounting Officer	5/5	22/22
Dr Yasmin Zia		3/5	2/5
<b>Senior Management</b>			
Mr Paul Bevington	Bursar & Clerk to Governors	5/5	21/22

During the year a number of governors have resigned from the Board of Governors. Those leaving have been for personal reasons and replacements are to be recruited in line with the policies previously described to maintain, as far as possible, a broad skills base and a range of relevant experience across the governing body.

The Board conducts much of its business through the sub-committee structure which includes: Finance & General Purposes; Curriculum Standards, Pastoral and Community; Estates Health & Safety; Human Resources; and Pay in line with the policies previously described.

The Academy Trust has carried out a self-evaluation review of governance during the year. This has resulted in the work of the Community sub-committee being subsumed into that of the Curriculum Standards & Pastoral sub-committee.

### Review of Value for Money

As Accounting Officer, the Head 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 Academy Trust's use of its resources has provided good value for money during each academic year and reports to the Board of Governors 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:

- using existing MIS resources for improved data collection, tracking and analysis which allows targeted intervention to improve progress and achievement for all pupils;
- implementing with the governors and staff a School Improvement Plan that focuses on short term "next step" planning to improve progress at all Key Stages, the quality of teaching, leadership, post 16 and EYFS provision, which realised a Good OFSTED inspection;
- implemented with governors a School Development Plan that sets medium and longer term objectives and strategies for supporting the School Improvement Plan;
- ensuring governors have the appropriate data and information so they can provide the right balance of challenge and support to the school in implementing its plans;
- working in collaboration with
  - the *Pennine Teaching Schools Alliance* to develop and build the capacity for system leadership and Outstanding Teaching in all subjects at all Key Stages as quickly as possible;
  - the Local Authority and allocated School Improvement Advisor, sharing best practice to drive up standards in a cost effective way;
- identifying specific groups of secondary students and primary pupils to target resources so the percentage of students and pupils making expected and better than expected progress exceeds national figures;
- ensuring the trust's Financial Handbook reflects the EFA Academies Financial Handbook and that policy on purchasing and competitive tendering are followed;
- linking budget priorities to the School Improvement and Development Plans;
- implementing with governors and staff, the comprehensive Appraisal & Pay Policy together with the implementation of Performance Related Pay for all teaching staff;
- using internal and external audit procedures for reassurance that all purchasing is reasonable and justified within the context of an educational trust;
- in conjunction with the auditors and trustees, launching a review of EFA reports on other Academy failings to evidence everything is being done at this Academy to minimise risk, ensuring probity and compliance;
- carrying out a Strategic Business Case review of the schools key stages including the consultation on the closure of the schools 6<sup>th</sup> Form and to increase the schools overall net capacity;

- implementing targeted intervention for disadvantaged pupils through the use of Pupil Premium funding in order to better enrichment opportunities and improve student outcomes;
- registering the school with the Crescent Purchasing Consortium a Public Sector Buying Organisation (PSBO) in order to secure favourable rates from suppliers;
- benchmarking the schools expenditure data against its statistical comparators and the implementation of cost saving measures where appropriate;
- carrying out a business case review of catering provision resulting in the outsourcing of the service to an external provider.

#### 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 the Academy Trust's 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 Batley Academy Trust for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

#### Capacity to Handle Risk

The Board of Governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governors are of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governors.

#### The Risk and Control Framework

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

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

The Board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Brown Butler, the external auditor, to perform additional checks. Brown Butler's role includes performing a range of checks on the Academy Trust's financial system on a termly basis and reporting to the Governors on the operation of the systems of control. The work has been carried out as planned and no material issues or concerns were identified.

### Review of Effectiveness

As Accounting Officer, the Head has responsibility for reviewing the effectiveness of the system of internal control. During the year ended 31 August 2015 the review has been informed by:

- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework;
- internal audit reports.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Governors on 17 December 2015 and signed on its behalf by:

.....  
A Hartley  
Chair

.....  
Mrs B Tullie  
Head and Accounting Officer

As Accounting Officer of Batley Academy Trust I have considered my responsibility to notify the Academy Trust's Board of Governors and the Education Funding Agency (EFA) 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.

I confirm that I and the Academy Trust's Board of Governors 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 Governors' and the EFA.

.....  
Mrs B Tullie  
Head and Accounting Officer

17 December 2015

The governors (who act as trustees for charitable activities of Batley Academy Trust and are also the directors of Batley Academy Trust for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Directions issued by the Education Funding Agency (EFA), United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the Board of Governors on 17 December 2015 and signed on its behalf by:

.....  
A Hartley  
Chair

We have audited the financial statements of Batley Academy Trust for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

#### Respective responsibilities of governors and auditor

As explained more fully in the Governors' Responsibilities Statement set out in the Governors Report, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report which incorporates a Strategic Report, to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### Opinion on financial statements

In our opinion the financial statements:

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



Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report which incorporates a Strategic Report, for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Mark Dearnley (Senior Statutory Auditor)  
For and on behalf of Brown Butler  
Chartered Accountants and Statutory Auditor  
Leigh House  
28-32 St Paul's Street  
Leeds  
LS1 2JT

17 December 2015

In accordance with the terms of our engagement letter dated 22 August 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Batley Academy Trust during the year ended 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Batley Academy Trust's funding agreement with the Secretary of State for Education dated 27 May 2011 and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

#### Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by 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 conclusion includes:-

- evaluation of the general control environment of the Academy Trust
- assessment and testing of a sample of specific controls
- consideration of whether expenditure is permissible within the Academy Trust's authorities
- obtain representations from the Chair of Governors and the Accounting Officer
- review and assess the systems checks carried out each term
- review minutes of Board of Governors meetings
- consider related party transactions

### Conclusion

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

Mark Dearnley (Reporting Accountant)  
For and on behalf of Brown Butler  
Chartered Accountants  
Leigh House  
28-32 St Paul's Street  
Leeds  
LS1 2JT

17 December 2015

Batley Academy Trust

Statement of Financial Activities  
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

For the year ended 31 August 2015

	Note	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	2015 Total funds £	As restated 2014 Total funds £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	2	37,666	-	25,000	62,666	48,062
Activities for generating funds	3	17,154	217,518	-	234,672	256,336
Investment income	4	3,079	-	-	3,079	2,975
Incoming resources from charitable activities:						
Funds for the Academy's education operations	5	-	3,482,214	311,152	3,793,366	3,802,778
Total incoming resources		<u>57,899</u>	<u>3,699,732</u>	<u>336,152</u>	<u>4,093,783</u>	<u>4,110,151</u>
Resources expended						
Charitable activities:						
Academy's education operations	7	5,858	3,614,584	140,137	3,760,579	3,738,690
Governance costs	8	-	28,464	-	28,464	22,948
Total resources expended		<u>5,858</u>	<u>3,643,048</u>	<u>140,137</u>	<u>3,789,043</u>	<u>3,761,638</u>
Net incoming resources before transfers		52,041	56,684	196,015	304,740	348,513
Gross transfers between funds	16	-	(259,795)	259,795	-	-
Net income/(expenditure) for the year		<u>52,041</u>	<u>(203,111)</u>	<u>455,810</u>	<u>304,740</u>	<u>348,513</u>
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	25	-	(6,000)	-	(6,000)	6,000
Net movement in funds		<u>52,041</u>	<u>(209,111)</u>	<u>455,810</u>	<u>298,740</u>	<u>354,513</u>
Reconciliation of funds						
Accumulated funds brought forward	16	<u>76,721</u>	<u>715,080</u>	<u>3,960,608</u>	<u>4,752,409</u>	<u>4,397,896</u>
Accumulated funds carried forward	16	<u><u>128,762</u></u>	<u><u>505,969</u></u>	<u><u>4,416,418</u></u>	<u><u>5,051,149</u></u>	<u><u>4,752,409</u></u>

All of the Academy's Trust's activities derive from continuing operations during the above 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.

The notes on pages 22 to 41 form part of these financial statements.

Balance Sheet  
As at 31 August 2015

	Note	2015 £	As restated 2014 £
<b>Fixed assets</b>			
Tangible assets	12	4,416,418	3,960,608
<b>Current assets</b>			
Stocks	13	463	2,203
Debtors	14	126,198	224,116
Cash at bank and in hand		1,194,612	1,154,922
		<u>1,321,273</u>	<u>1,381,241</u>
<b>Creditors</b>			
Amounts falling due within one year	15	<u>516,542</u>	<u>452,440</u>
Net current assets		<u>804,731</u>	<u>928,801</u>
Net assets excluding pension liability		5,221,149	4,889,409
Pension scheme liability	25	<u>170,000</u>	<u>137,000</u>
Net assets including pension liability		<u><u>5,051,149</u></u>	<u><u>4,752,409</u></u>
<b>Funds of the academy trust</b>			
<b>Restricted funds</b>			
Fixed asset funds	16	4,416,418	3,960,608
General funds	16	675,969	852,080
Pension reserve	16	<u>(170,000)</u>	<u>(137,000)</u>
		4,922,387	4,675,688
<b>Unrestricted funds</b>			
General funds	16	<u>128,762</u>	<u>76,721</u>
Total funds		<u><u>5,051,149</u></u>	<u><u>4,752,409</u></u>

These financial statements were approved and authorised for issue by the Board of Governors on 17 December 2015 and signed on its behalf by:

.....  
A Hartley  
Chair

.....  
E Suleman  
Chair of Finance

The notes on pages 22 to 41 form part of these financial statements.

Batley Academy Trust

Cash Flow Statement  
For the year ended 31 August 2015

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	Note	2015 £	2014 £
Net cash inflow from operating activities	21	296,406	357,437
Returns on investments and servicing of finance	22	3,079	2,975
Capital expenditure	23	<u>(259,795)</u>	<u>(130,382)</u>
Increase in cash in the year	24	<u>39,690</u>	<u>230,030</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2014	24	1,154,922	924,892
Movement in net funds	24	<u>39,690</u>	<u>230,030</u>
Net funds at 31 August 2015	24	<u>1,194,612</u>	<u>1,154,922</u>

The notes on pages 22 to 41 form part of these financial statements.

1. Accounting Policies

1.1 Basis of preparation

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

1.2 Going concern

The governors assess whether the use of the going concern basis 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 governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.3 Fund accounting

Unrestricted funds are funds which are available for use or retention at the discretion of the governors, in accordance with the Academy Trust's objectives. Restricted fixed assets funds are reserves which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose. Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education Funding Agency/Department for Education.

1.4 Incoming resources

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

- Grants

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

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

Grants received for the acquisition of fixed assets are accounted for immediately as restricted funds. The restricted fund is reduced by the depreciation or amortisation charges made over the expected useful life of the asset concerned.

Other grants are treated as an incoming resource and, where applicable, they are accounted for as restricted funds. Where the grant covers future accounting periods, the amount relating to future periods is deferred and recognised in the correct period.

1. Accounting Policies - continued

- Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.

- 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 goods have been provided or on completion of the service.

1.5 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 governor's meetings and reimbursed expenses.

1.6 Tangible fixed assets

Assets costing £100 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.



1. Accounting Policies - continued

Depreciation

Depreciation is provided on all tangible fixed assets in order to write off such costs after taking account of estimated residual values over the expected useful lives as follows:

Leasehold property	over the life of the lease on a straight line basis
Leasehold improvements	over the remaining life of the lease on a straight line basis
Plant and equipment	6.67% and 4% p.a. straight line basis
Fixtures and fittings	20% p.a. reducing balance basis
Computer equipment	25% p.a. straight line basis

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

1.7 Stock

Stocks are stated at the lower of cost and net realisable value.

1.8 Pensions

The Academy Trust operates two pension schemes, both of which are defined benefits schemes and both of which are held in separate trustee administered funds which are subject to actuarial valuation.

One scheme is a multi employer defined benefits scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities. Advantage has been taken of the exemptions in FRS17 and it has accounted for its contributions to the scheme as if it was a defined contribution scheme.

The liability of the second defined benefits scheme is recognised in the balance sheet at the present value of the defined benefit obligation at the balance sheet date less the fair value of the scheme's assets.

1.9 Operating leases

Operating lease rentals are charged in the statement of financial activities as incurred.

1.10 Taxation

The Academy Trust considers that it meets the definition of a charitable company for UK corporation tax purposes and is accordingly potentially exempt from tax in respect of its income and gains.

2. Voluntary income	Unrestricted funds £	Restricted funds £	Total 2015 £	As restated Total 2014 £
Donations	37,666	25,000	62,666	48,062
3. Activities for generating funds	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Hire of facilities	4,845	-	4,845	7,274
Catering income	-	179,002	179,002	192,460
Trips	-	14,491	14,491	13,695
Training grant	-	12,808	12,808	3,767
Music fund	-	2,280	2,280	7,268
Before school club	-	1,966	1,966	5,699
Sundry income – exam resit fees	-	911	911	3,719
Nursery management fee	10,500	-	10,500	10,500
Other sundry income	1,809	6,060	7,869	11,954
	<u>17,154</u>	<u>217,518</u>	<u>234,672</u>	<u>256,336</u>
4. Investment income	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Bank interest received	3,079	-	3,079	2,975

5. Funds for Academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Capital grants:				
Partnerships for Schools	-	-	-	23,575
Maintenance funding	-	311,152	311,152	123,377
	<u>-</u>	<u>311,152</u>	<u>311,152</u>	<u>146,952</u>
DfE/EFA revenue grants:				
General annual grant (GAG)	-	3,410,864	3,410,864	3,377,002
	<u>-</u>	<u>3,410,864</u>	<u>3,410,864</u>	<u>3,377,002</u>
Other government grants:				
Insurance and rates grant	-	11,605	11,605	18,642
16-19 bursary fund	-	8,199	8,199	9,500
Special educational needs	-	43,701	43,701	24,234
Maintenance funding	-	7,845	7,845	226,448
	<u>-</u>	<u>71,350</u>	<u>71,350</u>	<u>278,824</u>
Total	<u>-</u>	<u>3,793,366</u>	<u>3,793,366</u>	<u>3,802,778</u>

6. Resources expended

	Staff costs £	Premises £	Other costs £	Total 2015 £	As restated Total 2014 £
Academy's educational operations					
Direct costs	2,118,116	32,863	521,238	2,672,217	2,521,174
Allocated support costs	469,065	152,532	466,765	1,088,362	1,217,516
	<u>2,587,181</u>	<u>185,395</u>	<u>988,003</u>	<u>3,760,579</u>	<u>3,738,690</u>
Governance costs	-	-	28,464	28,464	22,948
Total	<u>2,587,181</u>	<u>185,395</u>	<u>1,016,467</u>	<u>3,789,043</u>	<u>3,761,638</u>

Resources expended for the year include:

	Total 2015 £	£
Depreciation	140,137	113,994
Operating leases – plant and machinery	28,245	35,637
Operating leases – other	6,750	6,750
Auditor's remuneration:		
In respect of audit services	3,250	3,100
Other services	3,675	4,250
	<u>180,057</u>	<u>163,731</u>

## 7. Charitable activities – Academy's education operations

	Total 2015 £	As restated Total 2014 £
Direct costs		
Teaching and educational support staff costs	2,118,116	2,167,055
Depreciation	123,885	102,681
Technology cost	5,912	5,462
Educational supplies	290,167	165,897
Examination fees	30,914	35,743
Staff development	20,500	12,978
Educational consultancy	8,729	7,733
Other direct costs	76,089	24,417
Finance costs of defined benefit pension schemes	(2,095)	(1,047)
Trip costs	-	255
	<u>2,672,217</u>	<u>2,521,174</u>
Allocated support costs		
Support staff costs	469,065	534,484
Depreciation	16,252	11,313
Technology costs	20,711	19,160
Recruitment and support	17,835	14,139
Maintenance of premises and equipment	150,256	295,567
Cleaning	15,777	15,155
Rent and rates	26,516	27,858
Energy costs	57,173	53,038
Insurance	35,645	35,299
Security and transport	11,483	18,572
Catering	203,010	123,914
Bank interest and charges	1,597	2,396
Finance costs of defined benefit pension schemes	(3,905)	(1,953)
Other support costs	66,947	68,574
	<u>1,088,362</u>	<u>1,217,516</u>
Total direct and support costs	<u><u>3,760,579</u></u>	<u><u>3,738,690</u></u>

## 8. Governance costs

	Total 2015 £	Total 2014 £
Legal and professional	20,614	14,669
Auditor's remuneration		
- audit of financial statements	3,250	3,100
- non-audit services	3,675	4,250
Pension scheme audit	925	880
Other support costs	-	49
	<u>28,464</u>	<u>22,948</u>

9. Staff costs

	2015	As restated Total 2014
	£	£
Staff costs during the period were:		
Wages and salaries	2,153,760	2,223,076
Social security costs	146,021	149,485
Operating costs of defined benefit pension schemes	287,400	328,978
	<u>2,587,181</u>	<u>2,701,539</u>

Included in wages and salaries are non-statutory/non-contractual severance payments totalling £7,073. The payment was in respect of one individual.

Directors' remuneration:-

	2015	2014
	£	£
Aggregate remuneration	84,437	78,607
Pension contributions	11,906	11,150
	<u>96,343</u>	<u>89,757</u>

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

	2015	2014
	No	No
Charitable activities:		
Teachers	36	40
Administration and support	39	47
Senior management team	6	6
	<u>81</u>	<u>93</u>

The number of employees whose emoluments fell within the following bands was:

£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
	<u>1</u>	<u>1</u>

The above employee participated in the Teachers' Pension Scheme.

10. Governors' remuneration and expenses

The only staff member who is a governor is the Head and she only receives remuneration in respect of services she provides undertaking the role of Head Teacher and not in respect of her services as a governor. Other governors did not receive any payments, other than expenses, from the Academy Trust in respect of their role as governors.

The remuneration paid to the Head fell within a band of £80,000 - £85,000 (2014: £75,001 - £80,000) and employer pension contributions amounted to £11,906 (2014: £11,150).

During the year ended 31 August 2015 expenses totalling £Nil (2014: £Nil) were reimbursed to the governors.

Other related party transactions involving Governors' are set out in note 20.

## 11. Governor's and officers' insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 (2014: £1,000,000) on any claim and the cost for the year ended 31 August 2015 was £1,514 (2014: £1,514).

The cost of this insurance is included in the total insurance cost.

## 12. Tangible assets

	Leasehold property and improvements £	Plant and equipment £	Fixtures and fittings £	Computer equipment £	Total 2015 £
Cost					
At 1 September 2014 as previously reported	449,570	210,717	162,369	194,692	1,017,348
Prior year adjustment	3,250,000	-	-	-	3,250,000
At 1 September 2014 as restated	3,699,570	210,717	162,369	194,692	4,267,348
Additions	206,165	335,127	21,786	32,869	595,947
Disposals	-	(247)	(6,280)	-	(6,527)
At 31 August 2015	3,905,735	545,597	177,875	227,561	4,856,768
Depreciation					
At 1 September 2014 as previously reported	8,171	19,768	69,659	131,142	228,740
Prior year adjustment	78,000	-	-	-	78,000
At 1 September 2014 as restated	86,171	19,768	69,659	131,142	306,740
Charge for the period	31,352	32,074	25,670	51,041	140,137
Eliminated on disposal	-	(247)	(6,280)	-	(6,527)
At 31 August 2015	117,523	51,595	89,049	182,183	440,350
Net book values					
At 31 August 2014 as restated	3,613,399	190,949	92,710	63,550	3,960,608
At 31 August 2015	3,788,212	494,002	88,826	45,378	4,416,418

13. Stocks

	2015 £	2014 £
Bags and badges	463	563
Kitchen and counter sales supplies	-	1,640
	<u>463</u>	<u>2,203</u>

14. Debtors

	2015 £	2014 £
Trade debtors	3,144	758
VAT recoverable	108,433	81,335
Other debtors	1,080	129,362
Prepayments and accrued income	13,541	12,661
	<u>126,198</u>	<u>224,116</u>

15. Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	325,764	343,151
Social security and other taxes	44,646	46,601
Other creditors	-	1,780
Accruals and deferred income	146,132	60,908
	<u>516,542</u>	<u>452,440</u>

	2015 £	2014 £
Deferred income		
Deferred income at 1 September 2014	46,204	9,100
Resources deferred in the year	126,476	46,204
Amounts released from previous years	(42,987)	(9,100)
Deferred income at 31 August 2015	<u>129,693</u>	<u>46,204</u>

The above consists of income received during the year which relate to later periods.

16. Funds – Movements for the year ended 31 August 2015

	As previously reported balance 01.09.14	Prior year adjustment	As restated balance 01.09.14	Incoming resources	Resources expended	Gains, losses & transfers	Balance 31.08.15
	£	£	£	£	£	£	£
<b>Restricted fixed asset funds:</b>							
Assets transferred on conversion	35,280	3,172,000	3,207,280	-	37,521	-	3,169,759
a) DfE/EFA grants and capital expenditure from GAG	402,046	-	402,046	3,818	36,768	282,880	651,976
b) Partnership for schools	43,247	-	43,247	-	30,838	-	12,409
c) Batley Grammar School Foundation	307,478	-	307,478	-	14,002	-	293,476
d) Private sector capital sponsorship	557	-	557	25,000	4,182	33,121	54,496
e) Condition Improvement funding	-	-	-	307,334	16,826	(56,206)	234,302
	<u>788,608</u>	<u>3,172,000</u>	<u>3,960,608</u>	<u>336,152</u>	<u>140,137</u>	<u>259,795</u>	<u>4,416,418</u>
<b>Restricted general funds:</b>							
f) General annual grant (GAG)	683,590	-	683,590	3,410,864	3,306,763	(272,582)	515,109
g) Other government grants	-	-	-	71,350	84,137	12,787	-
h) Other generated income	168,490	-	168,490	217,518	225,148	-	160,860
	<u>852,080</u>	<u>-</u>	<u>852,080</u>	<u>3,699,732</u>	<u>3,616,048</u>	<u>(259,795)</u>	<u>675,969</u>
Restricted pension reserve	(137,000)	-	(137,000)	-	27,000	(6,000)	(170,000)
Total restricted funds	<u>1,503,688</u>	<u>3,172,000</u>	<u>4,675,688</u>	<u>4,035,884</u>	<u>3,783,185</u>	<u>(6,000)</u>	<u>4,922,387</u>
Unrestricted funds							
General funds	76,721	-	76,721	57,899	5,858	-	128,762
Total funds	<u>1,580,409</u>	<u>3,172,000</u>	<u>4,752,409</u>	<u>4,093,783</u>	<u>3,789,043</u>	<u>(6,000)</u>	<u>5,051,149</u>



16. Funds – Movements for the year ended 31 August 2014

	As previously reported balance 01.09.13 £	Prior year adjustment £	As restated balance 01.09.13 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance 31.08.14 £
<b>Restricted fixed asset funds:</b>							
Assets transferred on conversion	48,744	3,198,000	3,246,744	-	39,464	-	3,207,280
a) DfE/EFA grants and capital expenditure from GAG	169,155	-	169,155	123,377	21,684	131,198	402,046
b) Partnership for schools	58,055	-	58,055	23,575	37,567	(816)	43,247
c) Batley Grammar School Foundation	322,478	-	322,478	-	15,000	-	307,478
d) Private sector capital sponsorship	836	-	836	-	279	-	557
e) Condition Improvement funding	-	-	-	-	-	-	-
	<u>599,268</u>	<u>3,198,000</u>	<u>3,797,268</u>	<u>146,952</u>	<u>113,994</u>	<u>130,382</u>	<u>3,960,608</u>
<b>Restricted general funds:</b>							
f) General annual grant (GAG)	494,704	-	494,704	2,997,002	2,677,734	(130,382)	683,590
g) Other government grants	-	-	-	278,824	278,824	-	-
h) Other generated income	181,462	-	181,462	620,025	632,997	-	168,490
	<u>676,166</u>	<u>-</u>	<u>676,166</u>	<u>3,895,851</u>	<u>3,589,555</u>	<u>(130,382)</u>	<u>852,080</u>
Restricted pension reserve	(94,000)	-	(94,000)	-	49,000	6,000	(137,000)
<b>Total restricted funds</b>	<u>1,181,434</u>	<u>3,198,000</u>	<u>4,379,434</u>	<u>4,042,803</u>	<u>3,752,549</u>	<u>6,000</u>	<u>4,675,688</u>
<b>Unrestricted funds</b>							
General funds	18,462	-	18,462	67,348	9,089	-	76,721
<b>Total funds</b>	<u>1,199,896</u>	<u>3,198,000</u>	<u>4,397,896</u>	<u>4,110,151</u>	<u>3,761,638</u>	<u>6,000</u>	<u>4,752,409</u>

## 16. Funds - continued

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

- a) DfE/EFA and other grants are to be used specifically to maintain and improve buildings and facilities.
- b) Grant from Partnerships for School to replace computer equipment.
- c) Grant from Batley Grammar School Foundation to fund leasehold improvements and the purchase of various other assets.
- d) Competition prize money spent on computer equipment and donation to kitchen refurbishment.
- e) A grant from the Condition Independent fund to replace the heating system.
- f) The general annual trust grant (GAG) must be used for the normal running costs of the Academy Trust. Under the funding agreement with the Secretary of State the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.
- g) Other government grants are set out in note 5.
- h) Other generated income includes donated services, money collected for trips, catering and other sources which is to be used specifically for the cost associated with providing these.

The transfer into the restricted fixed asset funds represents fixed assets purchased out of GAG, net of grants received regarding 2016 income transferred to deferred income.

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 2015.

## 17. Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted pension reserve £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	4,416,418	4,416,418
Current assets	128,762	1,192,511	-	-	1,321,273
Current liabilities	-	(516,542)	-	-	(516,542)
Pension scheme liability	-	-	(170,000)	-	(170,000)
Total net assets	<u>128,762</u>	<u>675,969</u>	<u>(170,000)</u>	<u>4,416,418</u>	<u>5,051,149</u>

18. Financial commitments

Operating leases

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

	2015 £	2014 £
Land and buildings		
Expiring in over five years	<u>6,750</u>	<u>6,750</u>
Plant and machinery		
Expiring within one year	7,020	-
Expiring within two and five years inclusive	20,145	34,185
Expiring in over five years	<u>1,080</u>	<u>1,080</u>
	<u>28,245</u>	<u>35,265</u>

19. Members liability

Each member of the Academy Trust undertakes to contribute to the assets of the company in the event of it being wound up whilst a member, or within one year after ceasing to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before ceasing to be a member.

20. Related party transactions

During the year, the Academy purchased services totalling £6,700 (2014: £6,000) from Chadwick Lawrence Solicitors, a limited liability partnership in which Mr J Kidd's wife is an equity member.

Mrs Kidd is not involved in the provision of the services to the Academy and Mr Kidd took no part in the decision to use Chadwick Lawrence LLP.

During the year, the Academy purchased goods totalling £Nil (2014: £48) from Nelsons (Birstall) Limited, a company in which Mr A Hartley is a director.

21. Reconciliation of net income to net cash inflow from operating activities

	2015 £	As restated 2014 £
Net income	304,740	348,513
Depreciation	140,137	113,994
Capital grants	(336,152)	(146,952)
Interest receivable	(3,079)	(2,975)
FRS17 pension cost less contributions payable	33,000	52,000
FRS17 pension finance income	(6,000)	(3,000)
Decrease in stocks	1,740	1,312
Decrease/(increase) in debtors	97,918	(155,402)
Increase in creditors	64,102	149,947
	<u>296,406</u>	<u>357,437</u>

22. Returns on investments and servicing of finance

	2015 £	2014 £
Interest received	3,079	2,975
	<u>3,079</u>	<u>2,975</u>
Net cash inflow from investment and servicing of finance	<u>3,079</u>	<u>2,975</u>

23. Capital expenditure

	2015 £	2014 £
Purchase of tangible fixed assets	(595,947)	(277,334)
Capital grants received	336,152	146,952
	<u>(259,795)</u>	<u>(130,382)</u>
Net cash outflow from capital expenditure	<u>(259,795)</u>	<u>(130,382)</u>

24. Analysis in changes in funds

	At 1 September 2014 £	Cash Flows £	At 31 August 2015 £
Cash in hand and at bank	1,154,922	39,690	1,194,612
	<u>1,154,922</u>	<u>39,690</u>	<u>1,194,612</u>

## 25. Pensions

The Academy's Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme (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.

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 the end of the financial year.

- 25.1 The TPS is a multi employer defined benefits scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme and, accordingly, the Academy Trust has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it was a defined contribution scheme. The information available to the Academy in respect of the TPS is set out below.

The Teachers' Pension Scheme (TPS) is a statutory, contribution, 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.

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%.

25.1 Pensions – continued

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.

A copy of the valuation report and supporting documentation is on the Teachers Pension website. The pension costs paid to the TPS in the year amounted to £207,910 (2014: £216,615).

- 25.2 The Academy Trust is a member of the West Yorkshire Pension Fund (the Fund) which is part of the Local Government Pension Scheme (the LGPS). The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings Scheme. Details of the benefits earned over the period covered by this disclosure are set out in The Local Government Pension Scheme Regulations 2013 and The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014.

The funded nature of the LGPS required participating employers and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in LGPS Regulations 2013 and the Fund's Funding Strategy Statement. The last actuarial valuation was at 31 March 2013 and the contributions to be paid until 31 March 2017 resulting from the valuation are set out in the Fund's Rates and Adjustment Certificate. An actuarial valuation of the Fund will be carried out at 31 March 2016 and as part of that valuation a new Rates and Adjustment Certificate will be produced for the three year period from 1 April 2017.

For 2014/2015 the contributions were set between 5.5% and 12.5% for employees and 15.0% for employers. For 2015/2016 the contribution rates are set between 5.5% and 12.5% for employees and 15.3% for employers.

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

The Fund Administering Authority, City of Bradford Metropolitan District Council, is responsible for the governance of the Fund. The key assumptions used by the actuary in updating the latest valuation of the Fund for FRS17 purposes were:-

	2015	2014	2013
Rate of increase in salaries	3.6%	3.6%	4.7%
Pension increase	2.1%	2.1%	2.8%
Discount rate	3.8%	3.7%	4.5%
Pension Accounts revaluation rate	2.1%	n/a	n/a

25.2 Pensions - continued

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. Sample life expectations resulting from these mortality assumptions are shown below:

Assumed life expectancy at age 65:

	2015	2014
Males		
Member aged 65 at accounting date	22.6	22.5
Member aged 45 at accounting date	24.8	24.7
Females		
Member aged 65 at accounting date	25.5	25.4
Member aged 45 at accounting date	27.8	27.7

The approximate asset allocation is as follows:-

	Asset split at 31.8.15 (%)	Asset split at 31.8.14 (%)	Asset split at 31.12.13 (%)
Equities	75.9	75.1	73.0
Property	4.5	3.3	3.0
Government bonds	10.4	10.3	11.4
Corporate bonds	4.6	5.2	5.7
Cash	1.5	3.9	3.8
Other	3.1	2.2	3.1
Total	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

The actual returns on assets are set out below:-

	2015 £	2014 £
Expected return on assets	28,000	27,000
Actuarial losses on assets	(24,000)	(65,000)
Actual return on assets	<u>4,000</u>	<u>(38,000)</u>

25.2 Pensions - continued

The changes in the fair values of the scheme's assets were:-

	2015 £	2014 £
Opening fair value of assets	414,000	372,000
Expected return on assets	28,000	27,000
Actuarial losses on assets	(24,000)	(65,000)
Employer's contributions	47,000	60,000
Members contributions	19,000	25,000
Net benefits paid out	(10,000)	(5,000)
	<u>474,000</u>	<u>414,000</u>

The changes in the present values of the defined benefit obligations were:-

	2015 £	2014 £
Opening present value of liabilities	551,000	466,000
Current service costs	80,000	112,000
Interest costs	22,000	24,000
Members contributions	19,000	25,000
Actuarial gains on liabilities	(18,000)	(71,000)
Net benefits paid out	(10,000)	(5,000)
	<u>644,000</u>	<u>551,000</u>

The reconciliation of the funded status of the Fund to the balance sheet is as follows:-

	2015 £	2014 £
Fair value of assets	474,000	414,000
Present value of liabilities	(644,000)	(551,000)
	<u>(170,000)</u>	<u>(137,000)</u>



25.2 Pensions - continued

The split of the liabilities at the last valuation between various categories of member is as follows:-

Active members	94%		80,000
Deferred members	6%	22,000	
Pensioners	-	(28,000)	(6,000)
			<u>74,000</u>

The pension costs recognised in the statement of financial activities are made up as follows:-

	2015 £	2014 £
Operating costs:		
Current service cost	80,000	112,000
Finance costs:		
Interest cost	22,000	24,000
Expected return on assets	(28,000)	(27,000)
	<u>(6,000)</u>	<u>(3,000)</u>
	<u>74,000</u>	<u>109,000</u>

The actuarial gains and losses recognised in the statement of financial activities are as follows:-

	2015 £	2014 £
Total actuarial (losses)/gains	<u>(6,000)</u>	<u>6,000</u>

The history of asset values, present values of liabilities and the deficit is set out below:-

	2015 £	2014 £	2013 £	2012 £	2011 £
Fair value of assets	474,000	414,000	372,000	217,000	81,000
Present value of defined benefit obligations	<u>644,000</u>	<u>551,000</u>	<u>466,000</u>	<u>298,000</u>	<u>99,000</u>
Net pension liability	<u>(170,000)</u>	<u>(137,000)</u>	<u>(94,000)</u>	<u>(81,000)</u>	<u>(18,000)</u>

25.2 Pensions - continued

The history of experience gains and losses is set out below:-

		2015 £	2014 £	2013 £
Experience (losses)/gains on assets	- £	(24,000)	(65,000)	20,000
	- %	(5.1%)	(15.7%)	5.4%
Experience gains on liabilities	- £	-	41,000	-
	- %	-	7.4%	-

26. Prior year adjustment

The Academy Trust leases its operational premises from Batley Grammar School Foundation. The lease was granted in September 2011, has a term of 125 years and is for a peppercorn rent. Following guidance from the EFA, the leasehold interest has now been valued and recognised in the financial statements as a fixed asset with a corresponding amount recognised within the restricted asset fund.