

Registered number: 06194070 (England and Wales)

BULWELL ACADEMY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

BULWELL ACADEMY TRUST
(A Company Limited by Guarantee)

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BULWELL ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

| | |
|--|--|
| Trustees | John Bowater, Chair Jeanette Furlong (resigned 31 March 2017) Gill Haymes Jane Samuels Sir Kevin Satchwell Jason Wright Nigel Skill Sara Taylor Vivienne Evans Ian Williams (resigned 31 August 2017) Vic Maher (appointed 1 September 2017) |
| Members | Thomas Telford City Technology Trust The Edge Foundation Jane Samuels Sir Kevin Satchwell Jeanette Furlong |
| Senior management team | Vic Maher, Principal (appointed 1 September 2017) Ian Williams, Principal (resigned 31 August 2017) Mark Blyton, Director of Finance & Operations Alison Bingham, Director of Business & Enterprise Rob Derry, Senior Vice Principal Mike Cook, Vice Principal Darren Mumford, Vice Principal (resigned 31 December 2016) Louise Dean, Vice Principal (appointed 1 September 2016) Claire Stopard, Vice Principal Rachel Yarnall, Vice Principal Anna Butler, Vice Principal (resigned 16 April 2017) Kimberley Willmot, Vice Principal (resigned 5 March 2017) James Matthews, Vice Principal Caroline Wallace, Vice Principal Scott Gibson, Vice Principal |
| Company registered number | 06194070 |
| Company name | Bulwell Academy Trust |
| Principal and registered office | The Bulwell Academy Squires Avenue Bulwell Nottingham NG6 8HG |
| Company secretary | Mark Blyton |

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Advisers (continued)

Independent auditor Crowe Clark Whitehill LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Bankers The Royal Bank of Scotland plc
Nottingham
NG1 2JS

Solicitors Anthony Collins Solicitors
134 Edmond Street
Birmingham

BULWELL ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

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

The Trust operates an academy for pupils aged 11 to 16 serving a catchment area in Bulwell. It has a pupil capacity of 1,050 aged 11-16 and 250 post 16 students. The Academy had a total roll of 966 students in the school on census on 18th May 2017. This was made up of 911 students aged 11 to 16 and 55 post 16 students.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of The Bulwell Academy Trust Limited are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Bulwell Academy.

Details of the trustees who served during the year 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 or within one year after they ceased to be a member.

TRUSTEES' INDEMNITIES

Trustees benefit from indemnity insurance to cover the liability of the Trustees by which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The Academy Trustees comprise:

- six sponsor Trustees who are appointed by the Academy's principal sponsors who are The Edge Foundation and The Thomas Telford School,
- one local authority Trustee, nominated by Nottingham City Council,
- one parent Trustee, elected by parents and carers of academy students,
- one associate Trustee with links to the local community,
- one associate Trustee who is a serving member of staff of Bulwell Academy,
- two further co-opted Trustees.
- The Principal is an ex-officio Trustee.

The Governing Body regularly considers its composition and recruits new Trustees whenever a need arises, for example if a skill or representation from a sector is identified as missing or needing strengthening or to replace Trustees who resign. Nominations are invited from the Governing Body and suitable individuals are approached, interviewed and recommended for approval by the Governing Body.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Trustees periodically review their training needs and training is commissioned and delivered either internally or externally, depending on needs.

New Trustees receive relevant written materials about their role and are given information by the Chair of Trustees prior to their appointment. The induction process includes opportunities to meet the Principal and visit the Academy.

ORGANISATIONAL STRUCTURE

The Academy's organisational structure consists of two levels: the Trustees and the Executive who are the Senior Leadership Team.

The Governing Body has considered its role carefully and decided that the role of the Trustees is to approve the strategic direction and objectives of the Academy and monitor its progress towards those objectives.

The Trustees have approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, standing orders and terms of reference.

Trustees are responsible for setting general policy, adopting an annual plan and financial monitoring of the Academy by use of budgets, and making major decisions about the direction of the Academy, including capital expenditure and senior staff appointments.

The Audit Committee meets twice a year and during the year met on the 21st November 2016 and 11th May 2017. The Committee comprises at least two members of the Governing Board together with an independent Committee Chairman.

The role of the committee is to consider matters relating to internal control and auditors, which includes considering the adequacy and effectiveness of the Academy Trust's systems of internal control and its arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness.

The Committee is authorised by the Governing Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee, and all employees are directed to co-operate with any request made by the Committee.

The Senior Leadership Team controls the Academy at an executive level, implements the policies laid down by the Trustees and reports back to them. The Trustees and Executive during the year had a particular focus on the educational aims of the Academy including curriculum development; raising attainment; improving attendance and behaviour; and financial management.

PAY POLICY FOR KEY MANAGEMENT PERSONNEL

Trustees set a pay scale band for remuneration of senior leaders after consideration of pay scales applicable in other similar schools and the market rate required to attract leaders of an appropriate calibre. Individuals are placed within the band dependent upon their specific responsibilities.

Trustees set the remuneration of the Principal after consideration of pay scales applicable in other similar schools and the market rate required to attract an individual of sufficient calibre.

Senior leaders together with all teachers, may receive performance related pay subject to rigorous consideration of the performance of their department, the quality of their teaching and their attendance record.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The Edge Foundation (Edge), an education foundation which promotes practical and vocational training, is a sponsor of the Academy and as part of the funding agreement created an endowment fund of £2 Million via a deed of trust and declaration of trust. The income from the endowment fund is used to enhance education for the Academy's pupils by assisting in supporting the Academy's educational and charitable purposes.

The Thomas Telford School (TTS) is a sponsor of a number of Academies in England, including Bulwell Academy. During the year, staff from TTS and other academies sponsored by TTS provided support and advice to Bulwell Academy. Fees were paid to cover the cost of releasing staff from their normal duties.

OBJECTIVES AND ACTIVITIES

OBJECTS AND AIMS

The principal object and activity of the charitable company is to advance, for the public benefit, education in the United Kingdom, in particular (but without prejudice to the generality of the foregoing) by establishing, maintaining, carrying on and developing a school offering a broad curriculum with a strong emphasis on, but in no way limited to business and enterprise and in particular, but without limiting the generality of the foregoing, to counter the impact of deprivation and disadvantage on education, and to promote educational work within the community served by the school. In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

In accordance with the articles of association the charitable company has adopted a "Scheme of Governance" approved by the Secretary of State for Education. The Scheme of Governance specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn and that the curriculum should comply with the substance of the national curriculum with an emphasis on business and enterprise and their practical applications.

Bulwell Academy opened to students in September 2009.

OBJECTIVES, STRATEGIES AND ACTIVITIES

The Bulwell Academy prides itself upon being a friendly and welcoming school serving the local community. Our mission is to create a learning environment where everyone achieves and all students progress to achieve success. We offer a broad and balanced curriculum that fully prepares our students for further study and work. We offer an excellent mixture of academic and vocational subjects for students from their start in year 7 throughout their education with us. The Academy has a specialism in Business and Enterprise whereby we ensure that the skills and creativity employers demand in today's world are delivered through all subjects and an extensive range of enrichment activities. We have strong links with many national and international organisations including Capital One, the Civil Service, Nottingham City Homes and the Yorkshire Bank. These links have been recognised by employers as exceptional and have won awards. Importantly, the strong business-education partnerships enable us to enrich the curriculum and to offer our students exceptional opportunities to progress to employment and future success.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

At the start of the year an academy improvement plan was aimed at making further progress in the following areas:

- 1 Attainment of students to be improved to ensure all students reach a minimum of the nationally expected level of progress across the school in all subjects.
- 2 Narrow the gap in progress between male and female students to at most the national average by raising the attainment of boys.
- 3 Narrow the gap in progress between disadvantaged students and other pupils to at most the national average.
- 4 Narrow the gap in progress between DSEN students and other pupils to at most the national average.
5. To improve students' punctuality and attendance at the Academy to maximise educational impact and improve outcomes.
6. To improve accuracy of predictions made for students' outcomes in order to ensure the triggering of intervention at a student and departmental level is timely, thus increasing its effectiveness.
7. To continue to improve students' behaviour around school and in between lessons to ensure a climate for learning is established.
8. Quality assurance systems are rigorous in holding staff to account, are able to inform an accurate understanding of the Academy's effectiveness and drive improvement.
9. To improve the literacy levels of students across the Academy to ensure they are well equipped for their studies and minimise low-levels of literacy as a barrier to successful outcomes for students.
10. To ensure all Y11 and Y13 students completing their studies with the Academy go on to employment, Further Education or a training programme.

PUBLIC BENEFIT

The public benefit aims of the Academy are fulfilled by the provision of free education to students drawn from the local community and by enhancing their opportunities and life chances by ensuring that this education is broad, balanced, meets the needs of students and prepares them for further study and work. The Bulwell Academy recognises its commitment both to its students, staff, parents/carers and Trustees, and to the wider community, based on the principle of the promotion of self-respect and respect for others. As such we believe that discrimination is unacceptable and our equal opportunities policy seeks to foster all individuals' abilities and we recognise two fundamental principles:

- the right of equal opportunity for each individual brings with it the responsibility of each individual to respect those rights for others,
- the needs of one individual are not identical with those of another and we have the responsibility both to recognise the individual's needs and to respond positively to them.

The Academy is developing its equalities action plan in readiness for the new legislative requirements. The Academy recognises its responsibilities under the Equalities Act not to discriminate against current or prospective employees with disabilities because of a reason relating to their disabilities, and acknowledges its duty not to discriminate, without justification, against disabled students or prospective students, in all aspects of Academy life. (The Bulwell Academy Access Plan operates in conjunction with the Academy's Special Educational Needs Policy). A person is recognised as having a disability if he or she has a physical or mental impairment that has a substantial and long term adverse effect on his or her ability to carry out normal day-to-day activities. The staff of the Academy has two duties to disabled students:

- not to treat disabled students less favourably, and;
- to take reasonable steps to avoid putting disabled students at a substantial disadvantage.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

The Bulwell Academy Access Plan helps to improve access to education at the Academy for disabled students in the following areas:

- improved access to the curriculum
- physical improvements to increase access to education
- improvements in the provision of information in a range of formats for disabled students

The Academy is also designed to fully comply with the requirements of the Equalities Act in terms of building design and accessibility. In addition to this the Academy recognises the need to keep this under review and commits to make reasonable changes to its design in the future where specific needs of disabled staff or students are identified.

The Academy is further developing its plans to promote disability equality to see whether further actions are required and that the objectives and priorities are being met. Disabled staff and students will be involved in the development of the Access Plan which is reviewed annually.

The plan will:

- promote equality of opportunity between disabled persons and other persons;
- ensure no unlawful discrimination or harassment related to disabilities;
- promote positive attitudes to disability;
- encourage participation by disabled people;
- take steps to take account of disabled people's disabilities;
- identify other actions as required.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE (INCORPORATING KEY PERFORMANCE INDICATORS)

Ofsted inspected Bulwell Academy in June 2015 and judged performance to be good in every category and noted the following in their report:

- The Principal and senior leaders are rigorous and committed; they have brought about rapid improvements to most areas of the Academy.
- Most teachers ensure the good progress of students by planning lessons meticulously and addressing students' weaknesses quickly and, as a result, the students make good progress.
- Disabled students and those with special educational needs make good progress throughout the Academy. Leadership of this work of the Academy is exceptionally strong.
- The pastoral care in the Academy is exemplary; teachers provide high levels of care and support for students whose circumstances have made them vulnerable.
- Students make rapid progress in both English and mathematics because of the consistently high quality of teaching in these subjects.
- Students' behaviour around the Academy is respectful and orderly; most show high levels of engagement in lessons.
- Disadvantaged students make rapid progress, especially at Key Stage 3.
- Outcomes in the sixth form are improving quickly; good quality teaching and leadership have ensured that almost all students make the progress they should.
- Trustees and sponsors have supported the Academy very well; resources have been used effectively and leaders are held to account rigorously.

A new secondary school accountability system was implemented from 2016. Key measures are now:

- Attainment 8. This measures the achievement of a pupil across 8 qualifications including mathematics (double weighted) and English (double weighted), 3 further qualifications that count in the English Baccalaureate (EBacc) measure and 3 further qualifications that can be GCSE qualifications (including EBacc subjects) or any other non-GCSE qualifications on the DfE approved list.
- Progress 8. This measure aims to capture the progress a pupil makes from the end of primary school to the end of secondary school. It is a type of value added measure, which means that pupils' results are compared to the actual achievements of other pupils with the same prior attainment. From 2015-16 the headline indicator of school performance determining the floor standard is Progress 8.
- Percentage of students achieving grades A to C in Maths and English.

Whilst overall attainment is not where the Academy had anticipated it would be, the modest improvement secured in 2017 (0.36) is encouraging despite: a) The uncertainty regarding the grade boundaries for the new 9-1 GCSEs in English Language, Literature and mathematics, b) the new attainment values for qualifications, c) the changes in leadership of the English and Mathematics department. Although an improvement in the "standard" basic measure wasn't realised, maintaining this standard (when compared to 2016) is noteworthy given the significant increased rigour of the new 9-1 GCSEs in English and Mathematics.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

There were also excellent outcomes in Art GCSE, Health and Social Care BTEC, Sport BTEC and Construction. However, accuracy of teacher predictions will remain to be a major focus for improvement in 2017-18 to ensure that incisive, timely and impactful interventions take place.

The subject areas that were a cause for concern as a result of the 2016-17 outcomes are all now benefitting from specialist external support. This work will be monitored extremely closely to ensure that the needed improvement in capacity is secured where it is needed.

2.3% of students who left the Academy in August 2017 were not in education, employment or training (NEET). This figure is below the Nottingham City and also the national average. Given the level of social deprivation in the community served by the Academy this is regarded as a significant achievement. The Academy will continue to focus on maintaining this very low level of NEET students going forward.

GOING CONCERN

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

FINANCIAL REVIEW

Most of the Trust's income is obtained from the Department for Education ("DfE") in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The school also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful lives of the assets concerned.

The financial transactions largely reflect operational activity and are mainly funded by grants from the Department of Education (DfE). During the year the Academy received income of £6.77M from DfE in respect of General Annual Grant, Start Up, Pupil Premium and other DfE grant funding, and £0.69M other income, making a total of £7.46M. Expenditure for the year amounted to £8.42M including depreciation and £7.73M excluding depreciation. Expenditure on fixed assets amounted £207,100 during the year.

Of the amount of £207,100 expended on fixed assets in the year, and amount of £80,775 was funded through use of the endowment fund.

RESERVES POLICY

The Trustees consider the level of reserves the Academy should hold annually as part of the budget setting process. Levels of reserves which are too high tie up money which should be spent on current school activities. Levels of reserves which are too low may put the future activities of the school at risk. The aim is to provide a sufficient level of reserves to allow for future capital replacement requirements in addition to working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance and any unexpected reductions in income.

In addition, the Academy needs to ensure that it hold some reserves to allow necessary financial adjustments to be made should income significantly reduce year on year. This would include the cost of redundancy payments and supporting expenditure from reserves during the timescale necessary for such adjustments to be made.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees consider that the level of reserves held is adequate for these purposes.

The Academy held fund balances as at 31 August 2017 of £18,505,767 comprising £16,588,516 of restricted funds, £294,706 of unrestricted funds and £1,622,545 of endowment funds. A deficit of £5,126,954 has arisen on the General Restricted Fund. This is due to the deficit of £5,768,000 on the Local Government Pension Scheme ("LGPS") which is allocated to this fund. The LGPS liability will not crystallise immediately.

Excluding the deficit which has arisen on the Local Government Pension Scheme the Academy held free reserves as at the 31 August 2017 £935,752 in addition to £1,622,545 in the endowment reserve.

INVESTMENT POLICY

The Academy operates an investment policy that seeks to maximise returns, minimise risk and maintain flexibility and access to funds.

PRINCIPAL RISKS AND UNCERTAINTIES

These are limited as the Academy deals only with bank balances, cash and trade creditors and limited debtors. The vast majority of funding is received from the Education Funding Agency and paid on a monthly basis.

The Academy has a deficit on the Local Government Pension Scheme of £5.8 million as at the 31st August 2017. This is a long term liability.

PLANS FOR FUTURE PERIODS

The Academy has set the objective of ensuring that Attainment of students to be improved to ensure all students reach a minimum of the nationally expected level of progress across the school in all subjects. The Academy will also focus on continuing to achieve the very low numbers of students not in education, employment or training when they leave the Academy.

FUNDS HELD AS CUSTODIAN

The Academy trust acts as an agent in distributing funds and grants from the EFA and other government bodies. Payments received and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. In some instances, the trusts can use a % of the allocation towards its own administration costs and this is recognised in the statement of financial activities.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees' Report was approved by order of the board of Trustees, as the company directors, on 28 November 2017 and signed on its behalf by:

John Bowater
Chair of Trustees

BULWELL ACADEMY TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Bulwell 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 trustees has delegated the day-to-day responsibility to the Principal, 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 Bulwell Academy 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 of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

| Trustee | Meetings attended | Out of a possible |
|---------------------|-------------------|-------------------|
| John Bowater, Chair | 3 | 3 |
| Jeanette Furlong | 0 | 2 |
| Gill Haymes | 2 | 3 |
| Jane Samuels | 3 | 3 |
| Sir Kevin Satchwell | 3 | 3 |
| Jason Wright | 1 | 3 |
| Nigel Skill | 2 | 3 |
| Sara Taylor | 3 | 3 |
| Vivienne Evans | 3 | 3 |
| Ian Williams | 3 | 3 |
| Vic Maher | 0 | 0 |

One Trustee resigned during the year and the Board is currently operating with a vacancy. Governor recruitment has been deferred pending the outcome of the re-brokering discussions with the Regional Schools Commissioner. The Board considers that it has a broad skillset commensurate with demands placed upon it. Skills and expertise include a detailed understanding of the contemporary education landscape, strong financial, business and leadership skills and a good knowledge of the local community and context in which the academy operates.

The Board has faced a number of challenges during the year including:

- The ongoing requirement to improve student achievement given the local context of significant social deprivation and changes in the curriculum and introduction of a new examination framework
- The recruitment of a new Principal
- The ongoing discussions with the Regional Schools Commissioner regarding re-brokering
- Ensuring appropriate management of the academy finances

The Board has provided effective leadership on these issues and overseen the implementation of appropriate strategies.

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GOVERNANCE STATEMENT (continued)

In order to ensure that it is able to discharge its duties effectively the Board receives a significant amount of detailed information regarding the academy including:

- Academy development plan
- Predictions for outcomes at year 11 and analysis
- Attendance data
- Admissions data
- Safeguarding report
- Staffing position
- Student progress data and analysis
- Literacy and Numeracy data
- Information regarding social context in which the academy operates
- Student progress data and analysis
- Pupil premium report
- Teaching observation outcomes
- Health and Safety report
- Financial position and forecast
- Analysis of results achieved at year 11 together with relevant comparators
- Analysis of key risks facing the academy together with mitigations

Based on experience working at senior level in both in education and business the Trustees are able to make an informed assessment of the appropriateness of the information and data provided.

The Academy Trust has not carried out a Governance review in the year, however intends to perform its next self-evaluation in the forthcoming academic year.

The Audit Committee is a sub-committee of the main board of trustees. Its purpose is to review the risks to internal financial control at the academy and agree a programme of work to address, and provide assurance on, those risks.

Attendance at meetings in the year was as follows:

| | Meetings attended | Out of a possible |
|-----------------------|-------------------|-------------------|
| Adrian Bowater, Chair | 3 | 3 |
| John Bowater | 1 | 1 |
| Linda Abbott | 2 | 2 |
| Gill Haymes | 1 | 2 |
| Mark Blyton | 2 | 2 |

The Curriculum and Standards Committee is a sub-committee of the main board of Trustees. The remit of the sub-committee is to consider the design of the curriculum and academic performance.

Attendance at meetings in the year was as follows:

| | Meetings attended | Out of a possible |
|---------------------|-------------------|-------------------|
| John Bowater, Chair | 2 | 2 |
| Vivienne Evans | 2 | 2 |
| Jeanette Furlong | 1 | 1 |
| Ian Williams | 2 | 2 |

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GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

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

- Re-organisation of the senior team to reduce costs and increase effectiveness
- Sharing back offices resources with other academies within the Thomas Telford family of schools
- Introducing a hybrid solution in respect of alternative provision, meaning that students will only be educated offsite for a proportion of the week. For the remainder of the week the students will be educated on the academy site in the newly created classrooms at the academy. The strategy is to transition some existing students back to mainstream and operate a more flexible system where new students accessing provision will only access a day a week. Overall as well as saving £104,500 compared to 2015-16, it is anticipated that the new arrangements will offer better outcomes for students.

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 ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Bulwell Academy Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Audit 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 Hobsons Chartered Accountants as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a semi-annual basis, the internal auditor reports to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The Trustees confirm that the internal auditor has delivered their schedule of work as planned and no material control issues were identified as a result of their work.

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 28 November 2017 and signed on their behalf, by:

John Bowater
Chair of Trustees

Vic Maher
Accounting Officer

BULWELL ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the academy trust board of trustees 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 2016.

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

Vic Maher
Accounting Officer

BULWELL ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees (who act as governors of Bulwell Academy Trust and are also the 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 Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 28 November 2017 and signed on its behalf by:

John Bowater
Chair of Trustees

BULWELL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BULWELL ACADEMY TRUST**

OPINION

We have audited the financial statements of Bulwell Academy Trust for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the academy'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 academy'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 academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

BULWELL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BULWELL ACADEMY TRUST**

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

BULWELL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BULWELL ACADEMY TRUST**

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

Helen Drew (Senior Statutory Auditor)
for and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG
28 November 2017

BULWELL ACADEMY TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 23 September 2013 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bulwell Academy Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF BULWELL ACADEMY TRUST'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Bulwell Academy Trust's funding agreement with the Secretary of State for Education dated 24 September 2007, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. 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 year 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. 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's income and expenditure.

The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

BULWELL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BULWELL
ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

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 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Crowe Clark Whitehill LLP

Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date:

BULWELL ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 AUGUST 2017

| | Note | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Endowed funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|---|------|------------------------------------|----------------------------------|---|-------------------------------|-----------------------------|-----------------------------|
| INCOME AND ENDOWMENTS FROM: | | | | | | | |
| Donations and capital grants | 3 | - | 19,250 | 20,127 | - | 39,377 | 34,017 |
| Charitable activities | 4 | 149,350 | 7,178,644 | - | - | 7,327,994 | 7,164,492 |
| Other trading activities | 5 | 85,639 | - | - | - | 85,639 | 98,323 |
| Investments | 6 | 3,416 | 6,832 | - | - | 10,248 | 20,951 |
| TOTAL | | 238,405 | 7,204,726 | 20,127 | - | 7,463,258 | 7,317,783 |
| EXPENDITURE ON: | | | | | | | |
| Raising funds | | 59,869 | - | - | - | 59,869 | 59,976 |
| Charitable activities | | 150,271 | 7,517,923 | 689,494 | - | 8,357,688 | 8,149,846 |
| TOTAL EXPENDITURE | 7 | 210,140 | 7,517,923 | 689,494 | - | 8,417,557 | 8,209,822 |
| NET INCOME / (EXPENDITURE) | | | | | | | |
| Transfers between Funds | 17 | 28,265 | (313,197) | (669,367) | - | (954,299) | (892,039) |
| | | - | (106,198) | 186,973 | (80,775) | - | - |
| OTHER GAINS AND LOSSES | | | | | | | |
| | | 28,265 | (419,395) | (482,394) | (80,775) | (954,299) | (892,039) |
| Actuarial gains/(losses) on defined benefit pension schemes | 21 | - | 453,000 | - | - | 453,000 | (2,384,000) |
| NET MOVEMENT IN FUNDS | | 28,265 | 33,605 | (482,394) | (80,775) | (501,299) | (3,276,039) |
| RECONCILIATION OF FUNDS: | | | | | | | |
| Total funds brought forward | | 266,441 | (5,160,559) | 22,197,864 | 1,703,320 | 19,007,066 | 22,283,105 |
| TOTAL FUNDS CARRIED FORWARD | | 294,706 | (5,126,954) | 21,715,470 | 1,622,545 | 18,505,767 | 19,007,066 |

The notes on pages 26 to 49 form part of these financial statements.

BULWELL ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 06194070

BALANCE SHEET
AS AT 31 AUGUST 2017

| | Note | 2017 | | 2016 | |
|---|------|--------------------|--------------------|--------------------|--------------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 13 | | 21,715,470 | | 22,197,864 |
| Investments | 14 | | 1,622,545 | | 1,703,320 |
| | | | <u>23,338,015</u> | | <u>23,901,184</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 15 | 339,014 | | 347,367 | |
| Cash at bank and in hand | | 1,254,050 | | 1,515,611 | |
| | | <u>1,593,064</u> | | <u>1,862,978</u> | |
| CREDITORS: amounts falling due within one year | 16 | | <u>(657,312)</u> | | <u>(942,096)</u> |
| NET CURRENT ASSETS | | | <u>935,752</u> | | <u>920,882</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | | |
| Defined benefit pension scheme liability | 21 | | <u>(5,768,000)</u> | | <u>(5,815,000)</u> |
| NET ASSETS | | | <u>18,505,767</u> | | <u>19,007,066</u> |
| FUNDS OF THE ACADEMY | | | | | |
| Endowed funds | 17 | | 1,622,545 | | 1,703,320 |
| Restricted income funds: | | | | | |
| Restricted income funds | 17 | 641,046 | | 654,441 | |
| Restricted fixed asset funds | 17 | 21,715,470 | | 22,197,864 | |
| Restricted income funds excluding pension liability | | <u>22,356,516</u> | | <u>22,852,305</u> | |
| Pension reserve | | <u>(5,768,000)</u> | | <u>(5,815,000)</u> | |
| Total restricted income funds | | | <u>16,588,516</u> | | <u>17,037,305</u> |
| Unrestricted income funds | 17 | | <u>294,706</u> | | <u>266,441</u> |
| TOTAL FUNDS | | | <u>18,505,767</u> | | <u>19,007,066</u> |

The financial statements on pages 23 to 49 were approved by the Trustees, and authorised for issue, on 28 November 2017 and are signed on their behalf, by:

John Bowater
Chair of Trustees

The notes on pages 26 to 49 form part of these financial statements.

BULWELL ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

| | Note | 2017 £ | 2016 £ |
|--|------|-------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Net cash (used in)/provided by operating activities | 19 | <u>(165,611)</u> | <u>45,934</u> |
| Cash flows from investing activities: | | | |
| Purchase of tangible fixed assets | | (207,100) | (366,215) |
| Capital grants from DfE/ESFA | | 20,127 | 19,857 |
| Interest received | | 10,248 | 20,951 |
| Movement on investments | | 80,775 | 296,680 |
| Net cash used in investing activities | | <u>(95,950)</u> | <u>(28,727)</u> |
| Change in cash and cash equivalents in the year | | (261,561) | 17,207 |
| Cash and cash equivalents brought forward | | <u>1,515,611</u> | <u>1,498,404</u> |
| Cash and cash equivalents carried forward | 20 | <u><u>1,254,050</u></u> | <u><u>1,515,611</u></u> |

The notes on pages 26 to 49 form part of these financial statements.

BULWELL ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Bulwell Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Company status

The academy trust is a company limited by guarantee and was incorporated in England and Wales (registered number 06194070). The address of the registered office is The Bulwell Academy, Squires Avenue, Bulwell, Nottingham, NG6 8HG.

1.3 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 academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements

The Trustees are currently looking at various options for the future of the Trust and the School with a view to merging with Creative Education Trust. This is based on strong encouragement from the Regional Schools Commissioner. At the date of approval of these accounts no decision had been made. If this were to happen in the next 12 months then all assets, liabilities, staff and the operation of the school will be transferred and the legal entity known as Bulwell Academy Trust will cease to trade.

BULWELL ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

1.5 Expenditure

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

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

Charitable activities and Governance costs are costs incurred on the academy's educational operations, including support costs and costs relating to the governance of the academy apportioned to charitable activities.

BULWELL ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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. Where there are specific conditions attached to the funding requiring the continued use of the asset, 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 the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

| | | |
|---------------------------------|---|-------|
| L/Term Leasehold Property | - | 2% |
| Furniture and equipment | - | 20% |
| Computer equipment and software | - | 33.3% |

1.7 Investments

Fixed asset investments relate to endowments held by the academy.

1.8 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.9 Taxation

The academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 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.

BULWELL ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.10 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.11 Fund accounting

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

Restricted endowment funds represent gifted assets that can be utilised by the Trust in carrying out its charitable objectives.

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

Investment income, gains and losses are allocated to the appropriate fund.

BULWELL ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.12 Liabilities and provisions

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

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.14 Agency arrangements

The academy trust acts as agent in distributing bursary funds and grants from the ESFA and other government bodies. Payments received and subsequent disbursements to students are excluded from the Statement of Financial Activities as the trust does not have control over the charitable application of the funds. In some instances the trust can use a % of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities.

BULWELL ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. GENERAL ANNUAL GRANT (GAG)

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

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

3. DONATIONS AND CAPITAL GRANTS

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|---------------------------------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Donations from academy sponsors | - | 19,250 | - | 19,250 | 13,950 |
| Capital Grants | - | - | 20,127 | 20,127 | 19,857 |
| Other donations | - | - | - | - | 210 |
| | <u>-</u> | <u>19,250</u> | <u>20,127</u> | <u>39,377</u> | <u>34,017</u> |
| <i>Total 2016</i> | <u>-</u> | <u>14,160</u> | <u>19,857</u> | <u>34,017</u> | |

BULWELL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

4. CHARITABLE ACTIVITIES

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | <i>Total funds 2016 £</i> |
|---|------------------------------------|----------------------------------|-----------------------------|---------------------------------------|
| DfE/ESFA grants | | | | |
| General annual grant (GAG) | - | 6,159,217 | 6,159,217 | 5,852,409 |
| Start-up grants | - | 13,250 | 13,250 | 13,250 |
| Other DfE/EFA grants | - | 597,663 | 597,663 | 583,893 |
| | - | 6,770,130 | 6,770,130 | 6,449,552 |
| Other government grants | | | | |
| Local authority grants | - | 361,539 | 361,539 | 506,008 |
| Other grants | - | 46,975 | 46,975 | 78,477 |
| | - | 408,514 | 408,514 | 584,485 |
| Other income from the academy trust's educational operations | | | | |
| Catering | 138,178 | - | 138,178 | 116,292 |
| Trips | 11,028 | - | 11,028 | 13,210 |
| Other | 144 | - | 144 | 953 |
| | 149,350 | - | 149,350 | 130,455 |
| | 149,350 | 7,178,644 | 7,327,994 | 7,164,492 |
| <i>Total 2016</i> | 130,455 | 7,034,037 | 7,164,492 | |

BULWELL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

5. ACTIVITIES FOR GENERATING FUNDS

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|-----------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Commissions recovered | 481 | - | 481 | - |
| Prom | 1,425 | - | 1,425 | 1,289 |
| Financial Support | 42,792 | - | 42,792 | 42,483 |
| Parking Charge | 19,094 | - | 19,094 | 18,687 |
| Lettings | 19,869 | - | 19,869 | 23,382 |
| Other | 1,978 | - | 1,978 | 12,482 |
| | <u>85,639</u> | <u>-</u> | <u>85,639</u> | <u>98,323</u> |
| <i>Total 2016</i> | <u>98,323</u> | <u>-</u> | <u>98,323</u> | |

6. INVESTMENT INCOME

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|-------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Investment income | - | 6,832 | 6,832 | 13,967 |
| Bank interest | 3,416 | - | 3,416 | 6,984 |
| | <u>3,416</u> | <u>6,832</u> | <u>10,248</u> | <u>20,951</u> |
| <i>Total 2016</i> | <u>6,984</u> | <u>13,967</u> | <u>20,951</u> | |

7. EXPENDITURE

| | Staff costs 2017 £ | Premises 2017 £ | Other costs 2017 £ | Total 2017 £ | Total 2016 £ |
|--------------------------------------|--------------------------|-----------------------|--------------------------|--------------------|--------------------|
| Expenditure on raising funds | 40,000 | - | 19,869 | 59,869 | 59,976 |
| Academy's educational operations: | | | | | |
| Direct costs | 4,704,499 | 689,494 | 967,201 | 6,361,194 | 6,309,676 |
| Support costs | 1,197,897 | 485,249 | 313,348 | 1,996,494 | 1,840,170 |
| | <u>5,942,396</u> | <u>1,174,743</u> | <u>1,300,418</u> | <u>8,417,557</u> | <u>8,209,822</u> |
| <i>Total 2016</i> | <u>5,743,707</u> | <u>1,162,305</u> | <u>1,303,810</u> | <u>8,209,822</u> | |

BULWELL ACADEMY TRUST
(A Company Limited by Guarantee)

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

8. SUPPORT COSTS

| | Total | <i>Total</i> |
|--------------------------|-------------------------|-------------------------|
| | 2017 | <i>2016</i> |
| | £ | <i>£</i> |
| Premises costs | 485,249 | 489,163 |
| Other support costs | 284,302 | 244,429 |
| Governance costs | 31,228 | 33,002 |
| Support staff costs | 1,195,715 | 1,073,576 |
| | 1,996,494 | <i>1,840,170</i> |
| | <u><u>1,996,494</u></u> | <u><u>1,840,170</u></u> |
| <i>At 31 August 2016</i> | | <u><u>1,840,170</u></u> |

Included within governance costs are any costs associated with the strategic as opposed to day-to-day management of the charity's activities. These costs will include any employee benefit for trusteeship, the cost of charity employees involved in meetings with trustees, the cost of any administrative support provided to the trustees, and costs relating to constitutional and statutory requirements including audit and preparation of statutory accounts.

9. NET INCOME/EXPENDITURE FOR THE YEAR

This is stated after charging:

| | 2017 | <i>2016</i> |
|--|-----------------------|-----------------------|
| | £ | <i>£</i> |
| Depreciation of tangible fixed assets: | | |
| - owned by the charity | 689,494 | 673,142 |
| Auditors remuneration - audit | 13,600 | 15,275 |
| Auditors remuneration - other services | 3,300 | 2,890 |
| Operating lease rentals | 20,057 | 14,869 |
| | <u><u>726,451</u></u> | <u><u>706,176</u></u> |

BULWELL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

10. STAFF COSTS

Staff costs were as follows:

| | 2017 £ | 2016 £ |
|--|-------------------------|-------------------------|
| Wages and salaries | 4,341,640 | 4,294,532 |
| Social security costs | 419,002 | 355,891 |
| Operating costs of defined benefit pension schemes | 1,070,053 | 914,459 |
| | <u>5,830,695</u> | <u>5,564,882</u> |
| Apprenticeship levy | 2,182 | - |
| Supply teacher costs | 109,519 | 121,128 |
| Staff restructuring costs | - | 57,697 |
| | <u><u>5,942,396</u></u> | <u><u>5,743,707</u></u> |

The average number of persons employed by the academy during the year was as follows:

| | 2017 No. | 2016 No. |
|----------------------------|-------------|-------------|
| Administration and support | 95 | 95 |
| Management | 12 | 14 |
| Teachers | 65 | 60 |
| | <u>172</u> | <u>169</u> |

Average headcount expressed as a full time equivalent:

| | 2017 No. | 2016 No. |
|----------------------------|-------------|-------------|
| Administration and support | 65 | 65 |
| Management | 12 | 14 |
| Teachers | 61 | 57 |
| | <u>138</u> | <u>136</u> |

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

| | 2017 No. | 2016 No. |
|---------------------------------|-------------|-------------|
| In the band £60,001 - £70,000 | 1 | 1 |
| In the band £70,001 - £80,000 | 1 | 1 |
| In the band £90,001 - £100,000 | 1 | 0 |
| In the band £100,001 - £110,000 | 0 | 1 |

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NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS (continued)

Two of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2017, pensions contributions amounted to £26,365 (2016: two employees - £26,266).

One of the above employees participated in the Local Government Pension Scheme. During the year ended 31 August 2017, pensions contributions amounted to £13,570 (2016: one employee - £13,352).

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £851,187 (2016: £932,656).

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

11. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees, The value of Trustees' remuneration and other benefits was as follows:

| | | 2017 | 2016 |
|--------------------------------------|----------------------------|-----------------------|------------------------|
| | | £ | £ |
| Ian Williams - Principal and Trustee | Remuneration | 95,000-100,000 | |
| | Pension contributions paid | 15,000-20,000 | |
| Paul Halcro - Principal and Trustee | Remuneration | | <i>105,000-110,000</i> |
| | Pension contributions paid | | <i>15,000-20,000</i> |

During the year, two Trustees received reimbursement of travel and subsistence expenses totalling £649 (2016 - £206).

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to an unlimited value (2016: *an unlimited value*) on any one claim and the cost for the year ended 31 August 2017 cannot be determined as it is included as part of the combined policy (2016: *cannot be determined as it is now included as part of the combined policy*).

BULWELL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

13. TANGIBLE FIXED ASSETS

| | L/Term Leasehold Property £ | Furniture & Equipment £ | Computer equipment and software £ | Total £ |
|-----------------------|--------------------------------------|-------------------------------|--|-------------------|
| Cost | | | | |
| At 1 September 2016 | 24,852,227 | 1,681,070 | 1,696,303 | 28,229,600 |
| Additions | 35,569 | 47,221 | 124,310 | 207,100 |
| At 31 August 2017 | <u>24,887,796</u> | <u>1,728,291</u> | <u>1,820,613</u> | <u>28,436,700</u> |
| Depreciation | | | | |
| At 1 September 2016 | 2,969,604 | 1,501,395 | 1,560,737 | 6,031,736 |
| Charge for the year | 497,413 | 56,359 | 135,722 | 689,494 |
| At 31 August 2017 | <u>3,467,017</u> | <u>1,557,754</u> | <u>1,696,459</u> | <u>6,721,230</u> |
| Net book value | | | | |
| At 31 August 2017 | <u>21,420,779</u> | <u>170,537</u> | <u>124,154</u> | <u>21,715,470</u> |
| At 31 August 2016 | <u>21,882,623</u> | <u>179,675</u> | <u>135,566</u> | <u>22,197,864</u> |

14. FIXED ASSET INVESTMENTS

| | £ |
|--------------------------|------------------|
| At 1 September 2016 | 1,703,320 |
| Transfer to Fixed Assets | (80,775) |
| At 31 August 2017 | <u>1,622,545</u> |

During the year, £6,832 (2016: £13,967) of income was generated from investments and is recognised within the restricted fund as detailed in note 6.

Of the balance held at year end £1,000,000 (2016: £1,000,000) represents a permanent endowment.

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

15. DEBTORS

| | 2017 | 2016 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 21,736 | 37,358 |
| VAT recoverable | 37,858 | 48,222 |
| Other debtors | 2,743 | 2,170 |
| Prepayments and accrued income | 276,677 | 259,617 |
| | 339,014 | 347,367 |
| | 339,014 | 347,367 |

16. CREDITORS: Amounts falling due within one year

| | 2017 | 2016 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 201,885 | 306,821 |
| Other taxation and social security | 184,948 | 184,930 |
| Other creditors | 12,228 | 9,010 |
| Accruals and deferred income | 258,251 | 441,335 |
| | 657,312 | 942,096 |
| | 657,312 | 942,096 |

| | 2017 | 2016 |
|--|---------------|----------------|
| | £ | £ |
| Deferred income | | |
| Deferred income at the beginning of the period | 111,750 | 155,031 |
| Resources deferred during the year | 63,295 | 111,750 |
| Amounts released from previous years | (111,750) | (155,031) |
| | 63,295 | 111,750 |
| | 63,295 | 111,750 |

Deferred income comprises:

£60,945 of funding received from Nottingham City Council for the financial year September 2017 to August 2018 in relation to Additional Inclusion Allowance for Higher Level Needs Funding.

£2,340 monies received in advance for school trip in December 2017.

BULWELL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

17. STATEMENT OF FUNDS

| | Balance at 1 September 2016 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2017 £ |
|---|--|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| Unrestricted general fund | 266,441 | 238,405 | (210,140) | - | - | 294,706 |
| Endowment funds | | | | | | |
| Edge Endowment Fund | 1,703,320 | - | - | (80,775) | - | 1,622,545 |
| Restricted funds | | | | | | |
| General Annual Grant | - | 6,159,217 | (5,738,072) | (106,198) | - | 314,947 |
| Local Authority grant | 354,424 | 408,514 | (762,938) | - | - | - |
| Other government grants | - | 597,663 | (597,663) | - | - | - |
| Start up grants | - | 13,250 | (13,250) | - | - | - |
| Other income | 300,017 | 26,082 | - | - | - | 326,099 |
| Pension reserve | (5,815,000) | - | (406,000) | - | 453,000 | (5,768,000) |
| | <u>(5,160,559)</u> | <u>7,204,726</u> | <u>(7,517,923)</u> | <u>(106,198)</u> | <u>453,000</u> | <u>(5,126,954)</u> |
| Restricted fixed asset funds | | | | | | |
| Restricted Fixed Asset Funds - all funds | - | - | - | 186,973 | - | 186,973 |
| DfE grants | 693,338 | - | - | - | - | 693,338 |
| Capital grants | 244,516 | 20,127 | - | - | - | 264,643 |
| Government capital grant | 112,000 | - | - | - | - | 112,000 |
| Fixed asset donations | 21,148,010 | - | (689,494) | - | - | 20,458,516 |
| | <u>22,197,864</u> | <u>20,127</u> | <u>(689,494)</u> | <u>186,973</u> | <u>-</u> | <u>21,715,470</u> |
| Total restricted funds | <u>17,037,305</u> | <u>7,224,853</u> | <u>(8,207,417)</u> | <u>80,775</u> | <u>453,000</u> | <u>16,588,516</u> |
| Total of funds | <u>19,007,066</u> | <u>7,463,258</u> | <u>(8,417,557)</u> | <u>-</u> | <u>453,000</u> | <u>18,505,767</u> |

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

17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

| | <i>Balance at 1 September 2015 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Transfers in/out £</i> | <i>Gains/ (Losses) £</i> | <i>Balance at 31 August 2016 £</i> |
|-------------------------------------|--|---------------------|--------------------------|-----------------------------------|----------------------------------|--|
| Unrestricted funds | | | | | | |
| Unrestricted general fund | 218,286 | 235,762 | (187,607) | - | - | 266,441 |
| | <u>218,286</u> | <u>235,762</u> | <u>(187,607)</u> | <u>-</u> | <u>-</u> | <u>266,441</u> |
| Endowment funds | | | | | | |
| Edge Endowment Fund | 2,000,000 | - | - | (296,680) | - | 1,703,320 |
| | <u>2,000,000</u> | <u>-</u> | <u>-</u> | <u>(296,680)</u> | <u>-</u> | <u>1,703,320</u> |
| Restricted funds | | | | | | |
| General Annual Grant | - | 5,852,409 | (5,802,731) | (49,678) | - | - |
| Local Authority grant | 479,567 | 506,008 | (631,151) | - | - | 354,424 |
| Other government grants | - | 583,893 | (583,893) | - | - | - |
| Start up grants | - | 13,250 | (13,250) | - | - | - |
| Other income | 244,461 | 106,604 | (51,048) | - | - | 300,017 |
| Pension reserve | (3,164,000) | - | (267,000) | - | (2,384,000) | (5,815,000) |
| | <u>(2,439,972)</u> | <u>7,062,164</u> | <u>(7,349,073)</u> | <u>(49,678)</u> | <u>(2,384,000)</u> | <u>(5,160,559)</u> |
| Restricted fixed asset funds | | | | | | |
| DfE grants | 643,660 | - | - | 49,678 | - | 693,338 |
| Capital grants | 224,659 | 19,857 | - | - | - | 244,516 |
| Government capital grant | 112,000 | - | - | - | - | 112,000 |
| Fixed asset donations | 21,524,472 | - | (673,142) | 296,680 | - | 21,148,010 |
| | <u>22,504,791</u> | <u>19,857</u> | <u>(673,142)</u> | <u>346,358</u> | <u>-</u> | <u>22,197,864</u> |
| Total restricted funds | <u>20,064,819</u> | <u>7,082,021</u> | <u>(8,022,215)</u> | <u>296,680</u> | <u>(2,384,000)</u> | <u>17,037,305</u> |
| Total of funds | <u>22,283,105</u> | <u>7,317,783</u> | <u>(8,209,822)</u> | <u>-</u> | <u>(2,384,000)</u> | <u>19,007,066</u> |

BULWELL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

17. STATEMENT OF FUNDS (continued)

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

Unrestricted funds are available for the use at the discretion of the trustees for the furtherance of the academy's charitable objects.

The restricted endowment fund represents assets gifted to the academy on an endowed basis by The Edge Foundation.

Restricted general funds will be used for educational purposes in line with the academy's objects and its funding agreement with the DfE.

Local authority (Nottingham City Council) grants relate to local authority funding for the provision of education by the charitable company.

Restricted fixed asset funds will be reserved against future depreciation charges.

Unspent capital grants funds are provided by the government for specific capital projects.

Transfers represent capital expenditure purchased from other funds other than the restricted fixed asset fund and reclassifications of certain funds between restricted and unrestricted.

Gains/(losses) represent movement in the actuarial assumptions of the Local Government Pension Scheme.

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 2017.

SUMMARY OF FUNDS - CURRENT YEAR

| | Balance at 1 September 2016 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2017 £ |
|---------------------------------|--|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| General funds | 266,441 | 238,405 | (210,140) | - | - | 294,706 |
| Endowment funds | 1,703,320 | - | - | (80,775) | - | 1,622,545 |
| Restricted funds | (5,160,559) | 7,204,726 | (7,517,923) | (106,198) | 453,000 | (5,126,954) |
| Restricted fixed asset funds | 22,197,864 | 20,127 | (689,494) | 186,973 | - | 21,715,470 |
| | <u>19,007,066</u> | <u>7,463,258</u> | <u>(8,417,557)</u> | <u>-</u> | <u>453,000</u> | <u>18,505,767</u> |

BULWELL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

17. STATEMENT OF FUNDS (continued)

SUMMARY OF FUNDS - PRIOR YEAR

| | <i>Balance at 1 September 2015</i> | <i>Income</i> | <i>Expenditure</i> | <i>Transfers in/out</i> | <i>Gains/ (Losses)</i> | <i>Balance at 31 August 2016</i> |
|------------------------------|--|------------------|--------------------|-----------------------------|----------------------------|--------------------------------------|
| | £ | £ | £ | £ | £ | £ |
| General funds | 218,286 | 235,762 | (187,607) | - | - | 266,441 |
| Endowment funds | 2,000,000 | - | - | (296,680) | - | 1,703,320 |
| Restricted funds | (2,439,972) | 7,062,164 | (7,349,073) | (49,678) | (2,384,000) | (5,160,559) |
| Restricted fixed asset funds | 22,504,791 | 19,857 | (673,142) | 346,358 | - | 22,197,864 |
| | <u>22,283,105</u> | <u>7,317,783</u> | <u>(8,209,822)</u> | <u>-</u> | <u>(2,384,000)</u> | <u>19,007,066</u> |

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2017 | Restricted funds 2017 | Restricted fixed asset funds 2017 | Endowed funds 2017 | Total funds 2017 |
|--|--|--------------------------------------|--|-----------------------------------|---------------------------------|
| | £ | £ | £ | £ | £ |
| Tangible fixed assets | - | - | 21,715,470 | - | 21,715,470 |
| Fixed asset investments | - | - | - | 1,622,545 | 1,622,545 |
| Current assets | 294,706 | 1,298,358 | - | - | 1,593,064 |
| Creditors due within one year | - | (657,312) | - | - | (657,312) |
| Provisions for liabilities and charges | - | (5,768,000) | - | - | (5,768,000) |
| | <u>294,706</u> | <u>(5,126,954)</u> | <u>21,715,470</u> | <u>1,622,545</u> | <u>18,505,767</u> |

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

| | <i>Unrestricted funds</i> | <i>Restricted funds</i> | <i>Restricted fixed asset funds</i> | <i>Endowed funds</i> | <i>Total funds</i> |
|--|-------------------------------|-----------------------------|---|--------------------------|------------------------|
| | 2016 | 2016 | 2016 | 2016 | 2016 |
| | £ | £ | £ | £ | £ |
| Tangible fixed assets | - | - | 22,197,864 | - | 22,197,864 |
| Fixed asset investments | - | - | - | 1,703,320 | 1,703,320 |
| Current assets | 266,441 | 1,596,537 | - | - | 1,862,978 |
| Creditors due within one year | - | (942,096) | - | - | (942,096) |
| Provisions for liabilities and charges | - | (5,815,000) | - | - | (5,815,000) |
| | <u>266,441</u> | <u>(5,160,559)</u> | <u>22,197,864</u> | <u>1,703,320</u> | <u>19,007,066</u> |

BULWELL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2017 £ | 2016 £ |
|---|------------------|-----------|
| Net expenditure for the year (as per Statement of Financial Activities) | (954,299) | (892,039) |
| Adjustment for: | | |
| Depreciation charges | 689,494 | 673,142 |
| Decrease in stocks | - | 8,436 |
| Decrease in debtors | 8,353 | 732 |
| Decrease in creditors | (284,784) | 29,471 |
| Capital grants from DfE and other capital income | (20,127) | (19,857) |
| Defined benefit pension scheme cost less contributions payable | 281,000 | 102,000 |
| Defined benefit pension scheme finance cost | 125,000 | 165,000 |
| Returns on investment and servicing of finance | (10,248) | (20,951) |
| Net cash (used in)/provided by operating activities | (165,611) | 45,934 |

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2017 £ | 2016 £ |
|--------------|------------------|-----------|
| Cash in hand | 1,254,050 | 1,515,611 |
| Total | 1,254,050 | 1,515,611 |

BULWELL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

21. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Nottinghamshire County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £634,016 (2016 - £613,437).

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

21. PENSION COMMITMENTS (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £352,844 (2016 - £350,185), of which employer's contributions totalled £258,836 (2016 - £259,556) and employees' contributions totalled £94,009 (2016 - £90,629). The agreed contribution rates for future years are 18.3% for employers and 5.5% - 12.5% for employees.

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

Principal actuarial assumptions:

| | 2017 | 2016 |
|--|--------|--------|
| Discount rate for scheme liabilities | 2.60 % | 2.20 % |
| Rate of increase in salaries | 4.20 % | 4.10 % |
| Rate of increase for pensions in payment / inflation | 2.70 % | 2.30 % |
| Inflation assumption (CPI) | 2.70 % | 2.30 % |

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

| | 2017 | 2016 |
|----------------------|------|------|
| Retiring today | | |
| Males | 22.6 | 22.1 |
| Females | 25.5 | 25.3 |
| Retiring in 20 years | | |
| Males | 24.8 | 24.4 |
| Females | 27.9 | 27.7 |

| Sensitivity analysis | At 31 August 2017 | At 31 August 2016 |
|--|------------------------------|------------------------------|
| | £ | £ |
| Discount rate +0.1% | 10,161,000 | 9,432,000 |
| Discount rate -0.1% | 10,668,000 | 9,897,000 |
| Mortality assumption - 1 year increase | 10,761,000 | 9,925,000 |
| Mortality assumption - 1 year decrease | 10,073,000 | 9,406,000 |
| CPI rate +0.1% | 10,635,000 | 9,853,000 |
| CPI rate -0.1% | 10,193,000 | 9,476,000 |

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

21. PENSION COMMITMENTS (continued)

The sensitivity analysis above shows the effect on the present value of the defined benefit obligation when flexing the principal actuarial assumptions.

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

| | Fair value at 31 August 2017 | <i>Fair value at 31 August 2016</i> |
|------------------------------|---|---|
| | £ | £ |
| Equities | 3,070,000 | 2,647,000 |
| Gilts | 148,000 | 144,000 |
| Other bonds | 559,000 | 262,000 |
| Property | 542,000 | 465,000 |
| Cash | 97,000 | 164,000 |
| Other | 227,000 | 165,000 |
| | <hr/> | <hr/> |
| Total market value of assets | 4,643,000 | 3,847,000 |
| | <hr/> <hr/> | <hr/> <hr/> |

The actual return on scheme assets was £564,000 (2016 - £469,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

| | 2017 | <i>2016</i> |
|-------------------------|----------------|-------------|
| | £ | £ |
| Service cost | 539,000 | 403,000 |
| Interest on obligation | 125,000 | 123,000 |
| Administration expenses | 1,000 | 1,000 |
| | <hr/> | <hr/> |
| Total | 665,000 | 527,000 |
| | <hr/> <hr/> | <hr/> <hr/> |

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

| | 2017 | <i>2016</i> |
|------------------------------------|-------------------|-------------|
| | £ | £ |
| Opening defined benefit obligation | 9,662,000 | 6,256,000 |
| Current service cost | 539,000 | 362,000 |
| Interest cost | 213,000 | 252,000 |
| Employee contributions | 91,000 | 91,000 |
| Actuarial (gains)/losses | (42,000) | 2,724,000 |
| Past service costs | - | 41,000 |
| Benefits paid | (52,000) | (64,000) |
| | <hr/> | <hr/> |
| Closing defined benefit obligation | 10,411,000 | 9,662,000 |
| | <hr/> <hr/> | <hr/> <hr/> |

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

21. PENSION COMMITMENTS (continued)

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

| | 2017 £ | 2016 £ |
|-------------------------------------|------------------|------------------|
| Opening fair value of scheme assets | 3,847,000 | 3,092,000 |
| Interest income | 88,000 | 129,000 |
| Actuarial losses | 411,000 | 340,000 |
| Employer contributions | 259,000 | 260,000 |
| Employee contributions | 91,000 | 91,000 |
| Benefits paid | (52,000) | (64,000) |
| Administration expenses | (1,000) | (1,000) |
| | <hr/> | <hr/> |
| Closing fair value of scheme assets | <u>4,643,000</u> | <u>3,847,000</u> |

22. OPERATING LEASE COMMITMENTS

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

| | 2017 £ | 2016 £ |
|-------------------------|---------------|---------------|
| Amounts payable: | | |
| Within 1 year | 20,343 | 19,974 |
| Between 1 and 5 years | 15,735 | 34,140 |
| After more than 5 years | 65 | 285 |
| | <hr/> | <hr/> |
| Total | <u>36,143</u> | <u>54,399</u> |

BULWELL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

23. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust 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 transaction took place in the period of account.

During the year, Sir Kevin Satchwell was a director of Edge Foundation and Jane Samuels and David Harbourne were employees of Edge Foundation. Donations of £19,250 (2016: £13,950) were received from Edge Foundation in the year.

During the year, Thomas Telford City Technology College was a member of Bulwell Academy Trust. Bulwell Academy Trust were charged £13,492 (2016: £15,495) for the provision of clerking and other services during the year. This service was charged at cost. There were no amounts outstanding at the year end.

Linda Abbott runs Education Improvement Partnership (formerly Education Action Zone) which utilises Academy staff and operates from the Academy premises. During the year Education Improvement Partnership has reimbursed the Academy £43,339 (2016: £42,901) for the use of Academy staff and this is included within Other Income. Bulwell Academy Trust are the custodian of the funds of Education Improvement Partnership and at the year-end £10,991 (2016: £4,992) is being held on their behalf and is included within Other Creditors. These transactions were at cost.

24. MEMBERS' LIABILITY

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

25. AGENCY ARRANGEMENTS

The academy distributes bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2017 the trust received £2,683 (2016: £2,683) and disbursed £575 (2016: £575) from the fund. There are £2,108 (2016: £2,108) of undistributed funds at the balance sheet date.