

Company Registration No. 06772181

**McMillan Education Trust (formerly  
known as Appleton Academy)**  
(a Company Limited by Guarantee)

**STATUTORY FINANCIAL STATEMENTS**

for the year ended

31 August 2012

# McMillan Education Trust (formerly known as Appleton Academy)

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTORS

R Wightman (Chairman)  
M Sutton (Accounting Officer)  
A Jerome  
K Oldale  
G S Senior  
E Gregory (appointed 24 May 2012)  
D Hambleton (appointed 24 May 2012)  
D Saxton (appointed 24 May 2012)  
C Opie (appointed 24 May 2012)  
D Forsyth-Conroy (appointed 24 May 2012)  
A Welsh (appointed 24 May 2012)

### CLERK TO GOVERNING BOARD

Tim Kitching

### SENIOR MANAGERS

Principal–Appleton Academy  
Principal – Samuel Lister Academy  
Director – International Food and Travel  
Studio School  
Head of Schools and Academies

D Saxton  
R Treacher  
I Pollard (Interim)  
G Khan

### REGISTERED OFFICE

Bradford College  
Great Horton Road  
Bradford  
West Yorkshire  
BD7 1AY

### PRINCIPAL PLACES OF BUSINESS

Appleton Academy  
Woodside Road  
Wyke  
Bradford  
BD12 8AL

Samuel Lister Academy  
Cottingley New Road  
Bingley  
West Yorkshire  
BD16 1TZ

International Food and Travel Studio School  
88 Thornton Road  
Bradford  
BD1 2DX

### COMPANY REGISTRATION NUMBER

06772181 (England and Wales)

### AUDITOR

Baker Tilly UK Audit LLP  
Chartered Accountants  
2 Whitehall Quay  
Leeds  
LS1 4HG

**McMillan Education Trust (formerly known as Appleton Academy)**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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**BANKERS**

Barclays Commercial Bank  
PO Box 378  
71 Grey Street  
Newcastle upon Tyne  
NE99 1JP

Lloyds TSB  
Hustlergate  
Bradford  
BD1 1NT

Natwest plc  
7 Hustlergate  
Bradford  
West Yorkshire  
BD1 1PP

# McMillan Education Trust (formerly known as Appleton Academy)

## REPORT OF THE DIRECTORS

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The directors present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2012.

The Trust was incorporated on 12 December 2008 and these financial statements represent the financial statements prepared for the Trust for the year ended 31 August 2012.

On 16 March 2012 the company changed its name from Appleton Academy to McMillan Education Trust. The Board of Directors have agreed a further name change which will take place prior to 31 August 2013 to Bradford College Education Trust.

The financial statements have been prepared in accordance with the accounting policies on pages 28 to 30 of the attached financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 ('SORP 2005').

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The Trust is a company limited by guarantee with no share capital (registration no.6772181) and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. Members of the charitable company are nominated by either the Secretary of State for Education or by Bradford College, the main sponsors of the Trust. The articles of association require the members of the charitable company to appoint at least four members to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Trust.

#### **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.

#### **Directors**

The directors indicated on page one are directors of the charitable company for the purposes of the Companies Act 2006 and Trustees for the purposes of charity legislation. The directors who were in office at 31 August 2012 served throughout the period, except where indicated on page one.

#### **Principal activities**

The principal object and activity of the charitable company is the operation of the McMillan Education Trust (formally Appleton Academy) to advance, for the public benefit, education for students of different abilities between the ages of 3 and 19 years offering a broad and balanced curriculum.

#### **Method of recruitment and appointment of Directors**

The Trust Board consists of up to 15 individuals (see page 4) which are comprised as follows: 8 Sponsor Directors identified by the lead sponsor all of whom have a complimentary skill set including teaching and learning, finance, human resources and buildings and estates. Alongside the eight are seven further directors which include two parent representatives, up to 4 Chairs of Governors and one school/academy senior leader.

The Chairs of Governors and parent representatives are appointed for a period of two years to ensure rotation and challenge. Should any sponsor director resign the Trust members will be responsible for liaising with the College Collaboration committee and agreeing a suitable replacement.

The school/academy senior leader is also reappointed on a two year basis.

# McMillan Education Trust (formerly known as Appleton Academy)

## REPORT OF THE DIRECTORS

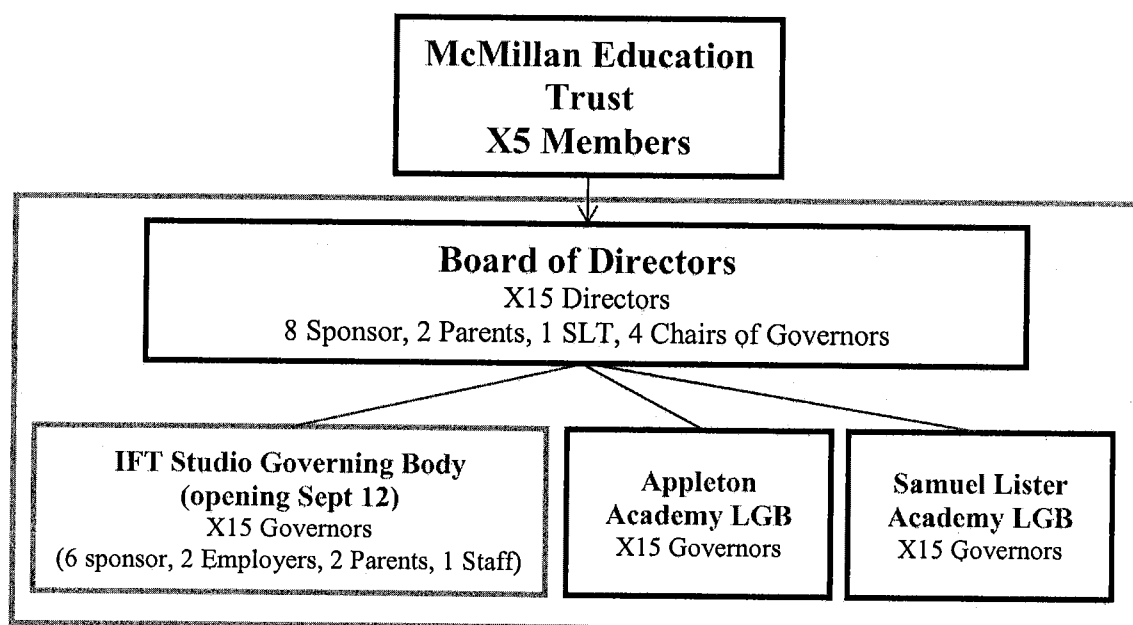
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### **Policies and Procedures Adopted for the Induction and Training of Governors**

All new Directors are inducted into the Trust through a variety of ways which include; a meeting on appointment with the Clerk to the Board and Head of the Schools and Academies Unit to induct them, during this meeting training needs are identified and agreed with an implementation plan following. A minimum of one visit to each school/academy per year is expected alongside corporate training with school/academy governors which takes place once a term.

All directors have access to a secure online storage area which enables them source policies, procedures, accounts and budgets and other documents they require to undertake their role.

### **Organisational Structure**



The management and organisation structure consists of four levels: the Trust members, Board of Directors, local Governing Bodies and the schools/academies leadership teams. The aim of the structure is to devolve responsibility and encourage involvement in decision making at all levels.

Due to the formation of a multi-academy Trust early in 2012 the Directors are now responsible for setting corporate policy, school/academy specific policy is managed by the respective institution as is procedure. The academy Trust is also responsible for improving standards and raising achievement, approving budgets, consolidation of accounts and making major decisions about the direction of the Trust including appointments of individual school/academy leaders and sponsor governors.

The Governors are responsible for monitoring policy, adopting an annual school development plan and budget, providing rigorous challenge and support, capital expenditure and senior staff appointments.

The schools/academies Leadership Team's comprise of the Principals, two Vice Principals (or equivalent). These managers control the schools/academies at an operational level implementing the policies laid down by the directors and/or Governors and reporting back to them regularly. As a group the Leadership Team, along with the Business/Finance Lead is responsible for the authorisation of spending within agreed budgets. A scheme of delegation is in place across the Trust to ensure consistent levels of authorisation of expenditure is in place.

# McMillan Education Trust (formerly known as Appleton Academy)

## REPORT OF THE DIRECTORS

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The Leadership team are also responsible for the appointment of staff, though appointment panels for posts in the Leadership Team always contain a Governor. Governors are involved in the appointments of posts within the Senior Leadership Team and they also have the opportunity to be involved in appointments to the Extended Leadership Team.

Kevin McGuinness acted as Responsible Officer for Appleton Academy for the year ended 31 August 2012. During this time the board of directors have formed an Audit Committee who will take over this role on behalf of all schools and academies in the trust. Their first meeting to determine the programme of internal audit work across the trust is due to take place in early 2013.

### **Connected organisations**

Bradford College is the sponsor to McMillan Education Trust (formerly known as Appleton Academy).

### **Risk management**

The directors have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances. The Trust monitors risk through board meetings and tracking through the Head of Schools and Academies, an online tracking tool is currently being created and will be operational in 2012/13.

The directors have implemented a number of systems to assess risks that a school/academy faces, especially in corporate and operational areas (e.g. in relation to teaching, health and safety, HR and staffing, bullying and school trips) and in relation to the control of finance. The Trust has introduced systems, including operational procedures (e.g. vetting of directors/governors, staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover through a group policy.

The Trust has an effective system of internal financial controls and this is explained in more detail in the later statement.

## **OBJECTIVES AND ACTIVITIES**

### **Objects, aims and objectives**

The principal object and activity of the charitable company is the operation of the McMillan Education Trust (formerly known as Appleton Academy) to advance, for the public benefit, education for pupils of different abilities between the ages of 3 and 19.

In accordance with the articles of association the charitable company has entered into a Master funding Agreement approved by the Secretary of State for Education. The Master Funding Agreement specifies, amongst other things, the basis for admitting students to the Academies and Schools, the catchment area from which the students are drawn, and that the curriculum should be broad and balanced and relevant to the needs and aspirations of all our learners.

The mission of the Trust is clear:

***To transform learning, educational achievement, successful progression and life opportunities for children and young people of the local and adjacent communities, so that they can fulfil their potential as individuals, as citizens, as employees and as leaders in a rapidly changing world.***

# McMillan Education Trust (formerly known as Appleton Academy)

## REPORT OF THE DIRECTORS

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The main objectives of the Trust during the period ended 31 August 2012 are summarised below:-

- to set policies to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to consider how to raise the standard of educational achievement of all pupils;
- to make provision for improving the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review;
- to set policies which will ensure value for money for the funds expended;
- to ensure that the Trust will comply with all appropriate statutory and curriculum requirements;
- to begin to establish close links with industry and commerce;
- provision of facilities for recreation or other leisure time occupations and
- to conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.

### **Strategies and activities**

The McMillan Education Trust (formerly known as Appleton Academy) vision is to positively transform the achievement, education, skill levels and progression of children and young people so that they achieve their full potential as citizens, leaders and employees in a rapidly changing world.

This will be achieved through close collaboration and in partnership with staff, parents, our local community, other education establishments and our key stakeholders. The Trust will ensure that children and young people develop the skills in addition to the understanding required to be healthy, stay safe, and enjoy and achieve in their learning and in their chosen progression pathways post 16.

Underpinning this vision is a set of core beliefs and values. The Trust beliefs include:

- All our learners, and those who support them, will benefit from having their horizons and expectations extended.
- All our learners can achieve to these personal horizons.
- All our learners should have access to the best opportunities and teaching available.
- Success comes from students' active engagement with, and ownership of, their own learning.
- Learning must be appreciated as a lifelong process that will constantly open up new opportunities.
- All young people need to have self confidence, a strong sense of personal and social responsibility, and eventually work and life skills.
- The staff is our most important resource.
- The best results come from a culture of collaboration and partnership.
- The values that underpin our beliefs and actions should include respect for ourselves, respect for and tolerance of others and respect for the environment. These are seen as the key aspects of citizenship.

The Trust will also value:

- Openness.
- Honesty.
- Creativity and inspiration.
- A healthy, critical perspective on new ideas.
- A 'can do' attitude and approach.
- Hard work, perseverance and striving for excellence.
- Empathy and being prepared to listen to what others have to say.
- Helpfulness and a thoughtful attitude and approach to others.
- Being responsive to feedback.

# McMillan Education Trust (formerly known as Appleton Academy)

## REPORT OF THE DIRECTORS

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To deliver the vision the Trust will be committed to:

- The achievement of each individual.
- Team working, community and partnership.
- Establishing a dynamic and relevant curriculum framework and content.
- Ensuring learning is the focus for every individual in the Trust, irrespective of role or position.
- Access for everyone to physical facilities as well as curriculum and learning opportunities.
- Providing educational and social structures that enable everyone to be included.
- The professional development of all our staff.
- Ensuring the infrastructure and environment are sustainable.

The curriculum offer which has been developed will provide all learners with the opportunities to develop the skills, competencies, knowledge & understanding, qualities, characteristics and strengths to be effective learners and citizens, as well as successful leaders, employers, employees and entrepreneurs in a rapidly changing world. Design of the curriculum will ensure that learners see and appreciate the context and purpose of their learning. The Trust believes that two key outcomes of this approach will be raised aspiration and broader horizons. The learning approaches and teaching practice in the Trust are personalised for each learner to ensure engagement and the development of a joy for learning. Life-long learning is a particular focus. Such an approach will develop the skills, knowledge and understanding required to be:-

- **successful learners** who enjoy learning and make progress and achieve;
- **confident individuals** who are able to live a safe, healthy and fulfilling life; and
- **responsible citizens** who make a positive contribution to their communities and society.

We expect McMillan Education Trust (formerly known as Appleton Academy) students to be clearly identifiable when they leave the school/academy because they will be:-

- competitive yet caring;
- hard working (at their studies) yet have time for a wide range of cultural, sporting and social activities;
- ready for employment;
- leaders and key influencers;
- the 'soul' of groups and communities they become part of;
- successful at forming positive friendships and relationships;
- racially and socially integrated and tolerant;
- mature and self-confident;
- able to communicate in a number of different settings;
- well qualified in terms of GCSEs, A levels, BTEC's apprenticeships etc;
- likely to have started diplomas and other qualifications early;
- numerate and literate;
- ICT literate;
- progressing on a personal learning and/or training pathway that is the result of raised aspirations; and
- unlikely to be involved in drug abuse or criminal activity.

### **Equal opportunities policy**

The Directors recognise that equal opportunities should be an integral part of good practice within the workplace. The Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

### **Disabled persons**

Lifts and disabled toilets are installed and door widths are adequate to enable wheelchair access to the main areas of the Trust. The policy of the Trust is to support recruitment and retention of students and employees with disabilities. The Trust will do this by adapting the physical environment wherever possible by making support resources available and through training and career development.



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## REPORT OF THE DIRECTORS

### Public Benefit

The directors have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charities Commission in defining the strategic directors on the Academy Trust.

### ACHIEVEMENTS AND PERFORMANCE

#### APPLETON ACADEMY

##### Foundation Stage

	2011 Academy	2011 National	2012 Academy
Personal, Social and Emotional Development (PSED) – 6+ points	68.5	79	78.7
Communication, Language and Literacy (CCL) – 6+ points	66.7	62	70.2
Problem Solving, Reasoning and Numeracy – 6+ points	64.8	74	72.3
% scoring 78+ points	66.7	79	78.7
% scoring 6+ points in all PSED and CLL strands and 78+ points	63.0	59	68.1

##### Foundation Stage Commentary

- Good progress has been made in all key aspects of Foundation Stage from a low baseline on entry and are in line with or above national averages.
- Achievement is above average for children achieving a 'good level of development' which means they have achieved more than 6 points in all areas of Communication, Language and Literacy (CLL), Personal Social and Emotional Development (PESD).
- The number of children who have attained 6 or more points in all CLL, Problem Solving Reasoning Numeracy (PSRN) and PSE scales is 66% which is above the national average.
- The dip in performance in PSRN in 2011 has overcome and is now in line with national average
- There has been a fall in attainment in Knowledge and Understanding of the World (KUW) which is below national average and lower than expected points score for writing.
- Girls outperform boys in all key areas except PSRN.
- Performance of non FSM learners exceeds that of FSM learners achieve in line with expectations in all areas.

##### Year 1 Phonics Screening Test

2012 Academy	2012 National
49%	58%

The number of children passing the Year 1 phonics screening test is below the national average although the progress in reading itself is broadly average. Many very able readers performed badly in the test which is recognised nationally as a concern.

##### Key Stage 1 Level 2+ - %

	2011 Academy	2011 National	2012 Academy
Reading	83	85	97
Writing	80	81	88
Mathematics	87	90	97

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### Level 2B+ - %

	2011 Academy	2011 National	2012 Academy
Reading	80	74	91
Writing	67	61	73
Mathematics	70	74	91

### Level 3+ - %

	2011 Academy	2011 National	2012 Academy
Reading	27	26	24
Writing	17	13	18
Mathematics	23	20	24

### Key Stage 1 Commentary

It is expected that children achieve a Level 2+ however L2b+ is seen as an indicator of secure attainment.

This is a cohort of 33 children in one class which is above the infant class size number of 30.

- Performance in all areas at L2+ is significantly above national averages especially at the more secure L2b+.
- Previous improvement at Level 3 has been sustained and is above national averages.
- Whilst girls outperform boys in all areas except maths, boys' performance is above national averages.
- Girls outperform boys at 2b+ in reading, writing and maths.
- Boys perform better than girls at L2+ in maths however this is reversed at L2b+.
- Children entitled to FSM perform marginally better in all areas.

### Key Stage 2

#### Level 4+

	2011 Academy	2011 National	2012 Academy
Reading	79	84	84
Writing	79	75	74
English	83	81	77
Mathematics	76	80	80
English & mathematics combined	72	74	74

#### Level 5+

	2011 Academy	2011 National	2012 Academy
Reading	38	42	27
Writing	10	20	10
*English	24	29	24
Mathematics	34	35	34
*English and mathematics combined	14	21	14

*\*Data not comparable due to changes to the national tests.*

KS2 Progress	2 levels	3 levels
Reading	90%	8%
Writing	97%	13%
English	90%	10%
Maths	80%	23%

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## REPORT OF THE DIRECTORS

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### Key Stage 2 Commentary

At the end of the previous Key Stage, the achievement for this cohort was significantly below average with only 76% reading at L2+ and 16% at L3. No pupil achieved the higher L3 in writing and only 16% did so in maths.

33% of pupils have special educational needs; one child with a statement was taught out of year and is now transferring to a high school with specialist provision. 30% of the children in the cohort are entitled to FSM.

Of the four new children joining the Academy since the summer term of Year 5, 4 have a reading level at or below the level expected of children in Y2. Four children were working at a level below the test and were disapplied.

- Performance in all areas is better than expected but remains broadly in line with or marginally below national expectations at L4+.
- Level 5 achievement is below national average but in line with previous Academy performance despite being a low achieving cohort.
- The 'mobile' cohort (those joining the cohort since September 2010) have had a negative effective on performance against national average making with. Comparisons show that when this cohort is taken into account, performance is marginally above average.
- Progress is particularly good in reading and writing. A growing number of children are exceeding 2 levels progress.
- Conversion rates show that 100% of learners previously achieving L2 converted to a L4.
- Targeted support aimed at closing the gap in reading resulted 75% of children working at Level 1 at the end of KS1 achieved a Level 4.

### Year 6 Targets for 2012 to 13

All targets to be reviewed by October 2012

Subject	Reading	Writing	Maths
Level 4+	87%	83%	90%
Level 5+	50%	23%	45%
Level 6	10%		13%

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## REPORT OF THE DIRECTORS

### Key Stage 4 Results

#### Key Stage 4

#### 2012 Cohort Information:

- Number of pupils at the KS Level 4: 73
- % of pupils on Free School Meals and Children Looked After: 49%

	2011			2012
	Nat	LA	Academy	Academy
% achieving 5+ A*-C inc English and Maths	58.2	47.5	37	55
% achieving 5+ A*-C	80.5	79	83	90
% achieving A*-C English and Maths	58.7	47.7	37	55
% of FSM/CLA achieving A*-C English and Maths	34.4	30.9	35	44
% of other pupils achieving A*-C English and Maths	62.9	53	38	65
% of Low attainer A*-C English and Maths	6.7	6.4	0	7
% of Middle attainer A*-C English and Maths	55.1	49.3	36	53
% of High attainer A*-C English and Maths	95.5	93.3	100	100
APS Capped (Best 8 qualifications)	338	328.8	322.4	336.1
APS Uncapped	472.3	471.5	474.1	473.2
% Expected Level of progress English	71.8	64.4	58	63
% Expected Level of progress Maths	66.2	55.9	33	59

#### Academy Year on Year Comparison

	2010	2011	2012
5+ A*-C inc English and Maths	47%	37%	55%

#### Key Stage 4 Performance

The Academy has made significant improvements at KS4. The performance is the best ever achieved at the Academy and is significantly better than the results achieved by the predecessor school.

In nearly all areas, the Academy's performance is above the 2011 Local Authority average and broadly in line with 2011 national benchmarks. Currently, the data at local and national levels for 2012 is not available but there is unlikely to be a significant difference to 2011 data.

The Academy's gap between the achievement of pupils on Free School Meals (FSM) or Children Looked After (CLA) is smaller than the gap at LA and national levels in 2011.

The Academy had no students studying Modern Foreign Languages in the 2012 cohort and no students achieved the EBacc. However, in the 2014 cohort, there are (%) following an EBacc pathway.

While the Academy has made improvements in the number of students making the expected progress in English and Maths, it is still an area for further improvement.

# McMillan Education Trust (formerly known as Appleton Academy)

## REPORT OF THE DIRECTORS

### Key Stage 5

#### 2012 Cohort Information:

- Number of students at end of KS5 study: 17
- Number of A Level students at end of KS5 study: 16

	2011		2012
	Nat	LA	Academy
% of KS5 students achieving 1x A*-E A Level	99.9	100	100
% of KS5 students achieving 2x A*-E A Level	93.6	93.7	82
% of KS5 students achieving 3x A*-E A Level	80.9	77.5	59
APS per Student	728.3	699.1	513.1
APS per Entry	213.1	204.4	164.6

### Key Stage 5 Performance

The Academy's first Post 16 cohort had many successes; however, the overall performance was below national and local benchmarks. It is likely that the cohort, in terms of value added, given the relative low starting points of the students, will have made positive improvement since KS4.

A notable success for the Academy is that the seven students who applied for Higher Education courses all achieved the grades required for their first choices and all are the first members of their families to go on to Higher Education.

### **SAMUEL LISTER ACADEMY**

#### Key Stage 4 Results 2011-12

##### Headline Figures

	2011			2012
	Nat	LA	Aire Valley School	Samuel Lister Academy
% achieving 5+ A*-C inc English and Maths	58.2	47.5	34	45
% achieving 5+ A*-C	80.5	79	73	94
% achieving A*-C English and Maths	58.7	47.7	34	45
% of FSM/CLA achieving A*-C English and Maths	34.4	30.9	26	46
% of Low attainer A*-C English and Maths	6.7	6.4	8	14
% of Middle attainer A*-C English and Maths	55.1	49.3	40	66
% of High attainer A*-C English and Maths	95.5	93.3	75	100
APS Capped (Best 8 qualifications)	338	328.8	315	347
APS Uncapped	472.3	471.5	429	486
% Expected Level of progress English	71.8	64.4	56	68
% Expected Level of progress Maths	66.2	55.9	54	69

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	<b>2012 results</b>	<b>% of students</b>	<b>Academy Target</b>
5 A*-C in En and Ma	59	45%	43%
5 A*-C	122	94%	68%
5 A*-G in En & Ma	126	97%	-
5 A*-G	126	97%	95%
1 A*-G	130	100%	100%
2 Sci A*-C	49	38%	-
1 Sci A*-C	77	59%	-
3 level En	77/113	68%	66%
3 levels Ma	78/113	69%	60%
GCSE Cohort	130		

5 A\* to C including English and Maths are 5% above national floor targets which was 40%. Also three levels of progress for Maths and English are in line with national expected progress. Therefore the school has achieved all floor targets set. Boys have made significantly greater progress in maths than girls which is reflected in the large gap in attainment between boys and girls in maths. This is reversed for English in that girls make greater progress than boys.

**Comparison to National Data 2011**

	<b>National 2011</b>	<b>Aire Valley School 2011</b>	<b>Academy 2012</b>
5A*-C En and Ma	58%	34%	45%
5 A*-C	79%	73%	94%
5A*-G	94%	93%	97%
1 A*-G	99%	100%	100%
1 A*-C MFL	28% (2010)		11%
1 A*-G MFL	42% (2010)		15%
2 Sci A*-C	61% (2010)		38%
Uncapped Point Scores	463.9	429.2	485.5
Capped Point Scores	335.1	314.8	346.7

As stated earlier 5 A\* to C inc English and Maths are 5% above national floor targets and are 11% higher than schools 2011 figures. Also the 5A\* to C are considerably higher than national levels. Student outcomes have led to both uncapped and capped best 8 point scores increasing on an upward trend with both being higher than last years national average.

**Key stage 5**

	<b>Nationally 2011</b>	<b>Bradford 2011</b>	<b>Samuel Lister 2012</b>
Average points per student	745.9	643.3	627
Average points per entry	216	204	193

Average points per students are much lower than the national average. If we convert the points to the equivalence of three A levels then national average would be AAB whilst Samuel Lister would be CCC

# McMillan Education Trust (formerly known as Appleton Academy)

## REPORT OF THE DIRECTORS

### Gender breakdown

	Average point score	Average points per entry
Males	574	196
Females	668	191

Males achieve slightly higher points per entry on average but Females achieve a greater average point score suggesting they leave with more qualifications than Males.

### Trend

	Aire Valley School - 2010	Aire Valley School 2011	Samuel Lister Academy - 2012
Average points per student	653	643	617
Average points per entry	219	204	177

Over a three year trend the average points per students and points per entry are on a year on year decline.

There is an Academy development plan for the Trust to improve performance over the next three years which is regularly monitored by both the Local Governing Bodies and the Trust.

### **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.

### **Key Financial Performance Indicators**

Key Performance indicators are set out each year with the schools and academies relating to student examination outcomes and other key measures, such as staffing percentages. These are monitored on a regular basis Finance And General Purpose Committees of the Local Governing Bodies and reported top to the Trust board.

### **FINANCIAL REVIEW**

#### **Financial report for the period**

Most of the Trust's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2012 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year Aire Valley school joined the Trust to become Samuel Lister Academy. £347k of cash, £4.7m of land and buildings and a pension deficit of £796k were introduced as of 1 April 2012.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2012, total expenditure of £9.5m (2011: £5.8m) was incurred. The excess of income over expenditure for the period was £5.1m (2011: £305k). This surplus is largely due to the donation of the land and buildings at Samuel Lister Academy.

At 31 August 2012 the Trust had net assets of £4.4m (2011: Deficit £(146)k) and a consolidated pension deficit of £2.26m (2012: £761k).

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## REPORT OF THE DIRECTORS

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### Financial and Risk Management Objectives and Policies

#### Principal Risks and Uncertainties

At all the Academies and Schools a system of internal controls including financial, operational and risk management designed to protect the entities assets and reputation have been in place.

Going forward an audit committee has been appointed to undertake a comprehensive review of the risks to which the whole Trust and individual schools and academies are exposed. They will identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Trust. A programme of appraisal and review of the controls in place will be undertaken to review their effectiveness and protect against risk. This is a priority of the newly formed audit committee. In addition to this the audit committee will also consider any risks which may arise as results of a new area of work undertaken by the Trust.

A risk register is maintained by the Trust and populated by the schools/academies, reviewed at least annually and more frequently where necessary. The risk register identifies key risks, likelihood of risks occurring, their potential impact on the Trust and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. Risk is also a standing item on the Trust board meeting agenda to ensure it is regularly considered and reviewed.

#### Reserves policy

The Directors will review the reserve levels of the Trust annually. This review will encompass the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors have determined that an appropriate level of free reserves should be equivalent to one month's payroll costs, currently approximately £800k. The reason for this is to provide sufficient 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. The Trust's level of free reserves at 31 August 2012 (total funds less the amount held in fixed assets and restricted funds) is £552k (2011: £101k). The Trust will work towards building these reserves up to the required level over the next three years.

### PLANS FOR FUTURE PERIODS

The Trust will strive to improve the performance of its students at all levels and will make every effort to ensure its students get jobs or a place in higher education once they leave.

The Trust aims in the future to provide the opportunity for an education to a greater number of students. This is addressed within the Trust's Development Plan. The plan's aim is to establish ways to benefit the wider community (from links with mainly local secondary and primary schools) and direct access to the Trust's facilities, curricular materials and the expertise of Trust staff.

In October 2012 Appleton Academy completed its move into a new state of the art purpose built school, bringing together the primary and secondary schools onto one site.

Samuel Lister Academy has been selected for the Priory School Building Programme which will either see an existing building being constructed on its current site or substantial investment in the current building over the next 3 years. The outcome of this is not due until later in 2012.

In September 2012 the Trust opened its first studio school – International Food and Travel Studio. This is a school aimed at 14-19 year olds combining vocational and academic qualifications with weekly work placements. This is the first studio school in Bradford and the first in the UK to specialise in Food and Travel. The Trust has also had approval to open two further studio schools in the centre of Bradford in September 2014, specialising in Film, Theatre and Costume and Health Occupations.



# McMillan Education Trust (formerly known as Appleton Academy)

## REPORT OF THE DIRECTORS

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### AUDITOR

Baker Tilly UK Audit LLP was re-appointed as auditor during 2012 for the newly formed Multi Academy Trust and has indicated its willingness to continue as auditors for the charitable company.

### Statement as to disclosure of information to auditors

The Directors confirm that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The report of the Directors was approved by the Directors on 12 December 2012 and signed on their behalf by:



R Wightman, Chair of Board of Directors

# McMillan Education Trust (formerly known as Appleton Academy)

## GOVERNANCE STATEMENT

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### Scope of Responsibility

As directors we acknowledge we have overall responsibility for ensuring that McMillan Education 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 Directors has delegated the day to day responsibility to the M Sutton 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 McMillan Education Trust (formally known as Appleton Academy Trust) and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the directors' Report and in the Statement of Directors responsibilities.

From the start of the year until 16 March the Trust operated as it has done in previous years, with the Governing Body of Appleton Academy meeting 3 times. Attendance at these meetings was as follows:

	Meetings Attended	Out of a possible
R Wightman	3	3
M Sutton	0	3
A Jerome	2	3
K McGuiness	2	3
K Oldale	2	3
D Saxton	3	3
G S Senior	3	3
Cllr D Smith	1	3
B Hey	3	3
N Dolan	1	3
R Whitson	1	3
Cllr S Ferriby	2	3

The McMillan Education Trust was created from 16 March 2012 and a Board of Directors was appointed to replace the controlling governing body of Appleton. Appleton Academy continues to have its own local Governing body who are no longer appointed as directors of the charitable company.

# McMillan Education Trust (formerly known as Appleton Academy)

## GOVERNANCE STATEMENT

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The Board of Directors has formally met once during the year on 16 June 2012. Attendance at this meeting was as follows:

	Meetings Attended	Out of a possible
Richard Wightman	1	1
Michele Sutton	1	1
Alan Jerome	1	1
Kath Oldale	1	1
Gordon Senior	1	1
Eve Gregory	1	1
David Hambleton	1	1
Dwayne Saxton	1	1
Clive Opie	1	1
Debbie Forsythe-Conroy	1	1
Andy Welsh	1	1

### The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on going process designed to identify and prioritise the risks to the achievement of academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in McMillan Education Trust for the year ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

### Capacity to Handle Risk

The Board of Directors has reviewed the key risks to which the academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal on going process for identifying, evaluating and managing the academy Trust's significant risks that has been in place for the year ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by Board of Directors.

# McMillan Education Trust (formerly known as Appleton Academy)

## GOVERNANCE STATEMENT

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### The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors and local governing bodies;
- regular reviews by the Finance and General Purposes Committees 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 Directors has considered the need for a specific internal audit function and has decided to appoint an Audit Committee who will be responsible for the Trust's financial systems and controls. RSM Tenon has been appointed Internal Auditors to the Trust and will visit each location on a termly basis and undertake a scope of work as directed by the Audit Committee.

### Review of Effectiveness

As accounting officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Responsible Officer;
- the financial management and governance self assessment process;
- the work of the executive managers within the academy Trust who have responsibility for the development; and
- Maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control 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 Directors on 12 December 2012 and signed on its behalf by:



M Sutton  
Accounting Officer



R Wightman  
Chair of Board of Directors

**McMillan Education Trust (formerly known as Appleton Academy)**  
**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

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

I confirm that I and the academy Trust governing body are able to identify any irregular or improper use of funds by the academy Trust, or material non compliance with the terms and conditions of funding under the academy Trust's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non compliance have been discovered to date.

*M. Sutton*

M Sutton  
Accounting Officer

*12 December 2012*

