

Company Registration No. 07695771 (England and Wales)

BRIGHT FUTURES EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2017

BRIGHT FUTURES EDUCATIONAL TRUST

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BRIGHT FUTURES EDUCATIONAL TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Company registration number:	07695771	
Registered office:	The Lodge Cavendish Road Altrincham Cheshire WA14 2NL	
Members	Dame Dana Ross-Wawrzynski Justin Kelly Yakub Patel	
Trust Directors (charity trustees and directors of the company)	Yakub Patel, Chairman John William Stephens (appointed 01 January 2017) Alan Foster Jonathan Poole (resignation with effect from 27 February 2017) Dame Dana Ross-Wawrzynski (resignation with effect from 31 December 2017) Justin Kelly (resigned with effect from 09 January 2017) Selvavayagam Pankayachelvan (resigned with effect from 13 January 2017) Daniel Rubin Caroline Shaw Joan Margaret Appleyard (appointed 01 September 2016) Lynn Nicholls (appointed 09 January 2017)	
Company Secretary:	Eversecretary Limited	
Senior Management Team	Chief Executive Officer:	Dr John Wm Stephens
	Finance Director (CFO)	Edward Vitalis
	Director of Primary Education	Gary Handforth
	Head of HR	Lynette Beckett
	Head of Governance	Linda Samuel
Bankers	Lloyds Bank 223 Finney Lane Heald Green Cheadle Cheshire SK8 3PY	
Solicitors:	Wrigleys Solicitors LLP 19 Cookridge Street Street Leeds LS2 3AG	Eversheds LLP 70 Great Bridgewater Street Manchester M1 5ES
Independent Auditor	UHY Hacker Young LLP St James Building 79 Oxford Street Manchester M1 6HT	

BRIGHT FUTURES EDUCATIONAL TRUST

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 1 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 eight academies in the north-west of England. These comprise three primary schools, two 11-16 secondary schools, one 11-18 grammar school, one 11-18 special school and one sixth form college.

Structure, Governance and Management

Constitution

Bright Futures Educational Trust is a company limited by guarantee (No. 07695771) and an exempt charity in accordance with the Academies Act 2010. The charitable company was incorporated on 6 July 2011. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Bright Futures Educational Trust are also the directors of the charitable company for the purposes of company law.

On 19 April 2012, the trust changed its name from AGGS Academy Trust to Bright Futures Educational Trust.

Details of the trustees who served during the year are included in the Reference and Administrative details on page 2.

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 and to pay such amounts as may be required not exceeding £10 for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

The Trust has purchased insurance to cover trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. Details of the costs can be found in note 11 of the accounts.

Method of Recruitment and Appointment or Election of Trustees

The Members of the Trust are responsible for the appointment of Trust Directors. The number of appointed Directors shall be a minimum of seven up to a maximum of ten with the number of Executive Directors not exceeding one third.

Policies and Procedures Adopted for the Induction and Training of Trustees

No formal policy has been adopted. Training requirements are discussed at directors' board meetings.

Organisational Structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the funding agreements with the Department of Education. In addition to the Trustees, Local Governing Bodies ('LGBs') have been appointed for each school within the Trust. At Cedar Mount, the LGB has been dissolved and replaced by a School Improvement Board. These bodies report to the Board of Directors.

BRIGHT FUTURES EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The Trust has a single Board Committee, the Audit and Risk Committee, who report directly to the Board of Directors. The Executive Team consists of the Chief Executive Officer, Finance Director, Head of HR, Directors of Education and the Head of Teaching School/Co Principal BFET. The Executive Team meets each month in term time during each academic year.

The day to day running of the Trust is delegated by the trustees to management under the leadership of the Chief Executive Officer, who is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

Setting the pay on appointment

- We use the School Teachers Pay and Conditions Document as the benchmark and guide for school leadership posts
- For central Trust Leadership posts, we use external salary benchmarking as the guide to pay.

Annual Pay Reviews

Any pay review is dependent upon the successful outcome of an appraisal process.

- For leadership posts in schools, up to Vice Principal level, pay recommendations from Principals are moderated and approved by the local governing body
- For Principals, pay recommendations made by the Directors of Education, are moderated and approved by a committee chaired by the CEO of the Trust
- For the central Trust leadership posts, the recommendations are moderated and approved by a committee chaired by the CEO of the Trust.

Related Parties and other Connected Charities and Organisations

Although there are a number of professional links to other schools and third party organisations, the Trust is an independent company with no affiliation to outside bodies.

The Trust works closely with a wide variety of organisations in the field of education, including but not restricted to:

- The Prince's Teaching Institute
- National College for Teaching And Leadership
- Challenge Partners
- Ambition School Leadership
- Teach First
- Youth Sports Trust

Altrincham Grammar School for Girls has established a Teaching School Alliance, a SCITT and a Maths Hub, which sits within the Trust. As well as the eight BFET schools, there are an additional sixty two partner organisation that make up the Alliance.

Objectives and Activities

Objects and Aims

The Trust's object is to advance for the public benefit education in the United Kingdom.

The Trust achieves this by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

The vision is to create a world class education which enables every young person to realise their full potential, and in particular, their full academic potential. The vision is based on the core Trust values of Community, Integrity and Passion.

BRIGHT FUTURES EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Objectives, Strategies and Activities

The Trust's mission statement underpins the Objects and Aims of the organisation and is as follows: -

Our family of schools place young people, families and communities at the heart of everything we do. We are a true community with shared responsibility and common core values which create a culture of collaboration, opportunity, respect and innovation. We inspire excellence and believe in nurturing the abilities of all within our schools and communities. We empower our young people to build purposeful lives and have the courage and confidence to make a positive contribution to society. Through excellence in education all of our young people will have a bright future.

The strategic objectives for the year were: -

- Working Towards Excellence
- To ensure Financial Viability
- To Create an Environment where our People are Valued and Developed
- To Improve Internal and External Communication
- To Establish and Implement the Structure and Direction of the Trust
- To have a Consistent and Coherent Single Learning Journey across our Community

School Development Plans and a Central Support Services action plans provide the detailed narrative explaining how these objectives are achieved and measured; however, the broad areas that are to be developed and measured are: -

Working towards Excellence

- Pupil outcomes
- Pupil destinations
- Pupil numbers
- Ofsted judgements – all schools Good or better
- Impact of support services
- Removal of DfE Pause

Ensure Financial Viability

- All schools working within their agreed budget
- Achieve financial targets within Financial Notice to Improve

To Create an Environment where our People are Valued and Developed

- Recruitment and retention
- Professional Development
- Employee Surveys

To Improve Internal and External Communication

- Meetings
- Reporting of school activities to Trust and vice versa
- Internal school communication
- Media links
- ICT Infrastructure
- Communication to external bodies

To Establish and Implement the Structure and Direction of the Trust

- Current structure fit for purpose
- Strategy for future growth
- Strategy for future direction

To have a Consistent and Coherent Single Learning Journey across our Community

- Curriculum / Pedagogy
- Transition

BRIGHT FUTURES EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

During the year, the Trust continued to develop its Governance, Leadership and Management. A governance review follow up reported some significant progress. A new Chief Executive was appointed with effect from January 2017 and a new Finance Director commenced during March 2017, strengthening the leadership of the Trust's Executive Team.

Two of our schools, South Shore Academy and Cedar Mount Academy, moved out of Special Measures and the Trust schools achieved some significant improvements demonstrated by our outcomes in Educational Standards. Both South Shore Academy and Cedar Mount Academy are no longer judged 'inadequate'. Some significant improvements in A level results at Connell Sixth Form College were achieved, where re-takes were significantly higher than the sixth form college benchmark. Connell achieved ALPS 2 at A level putting the College in the top 10% nationally for progress. There has been some significant highlights at Altrincham Grammar School for Girls, achieving our best results for years and a substantial number of the new Grade 9s in both English and maths. South Shore achieved a significant increase in English and maths outcomes and some good performance in other subjects. Cedar Mount saw modest improvements in 'basics' but more significant progress in the humanities. There were improvements in outcomes at all primary schools with Marton achieving particularly well in maths and a 50% increase in combined KS2 outcomes at Rushbrook.

The Trust continues to work closely with the Education and Skills Funding Agency (ESFA) to agree a long-term financial recovery plan and actions towards removal of the Financial Notice to Improve. We reduced our cost base by £2.6m during the year and the financial recovery plan will deliver further efficiencies circa £3.6m over the next 24 months. The plan, which will ensure that the Trust becomes financially viable, includes re-brokering Connell Sixth Form College.

During the year, the Trust reorganised its Central Team to a streamlined structure that will efficiently deliver its future strategic challenges. Phase 1 of a reorganisation of the finance function was completed to improve the Trusts financial control environment. Additionally, the Trust has been working to strengthen its financial control environment through a series of proactive external reviews including; due diligence of financial plans, balance sheet integrity review, internal audit of financial planning process, reporting and monitoring arrangements and internal audit of budgetary performance management framework.

Public Benefit

The Trustees of Bright Futures Educational Trust are committed to ensuring that the Trust's activities are for the public benefit and have complied with their statutory duties.

In particular, Trustees have been provided with the Public Benefit guidance published by the Charity Commission and public benefit is properly taken into account in exercising their powers and duties.

STRATEGIC REPORT

Achievements and performance

During the year, two of our schools, South Shore Academy and Cedar Mount Academy, moved out of Special Measures and the Trust schools achieved some significant improvements demonstrated by our outcomes in Education and Standards. We lifted both South Shore Academy and Cedar Mount Academy out of Special Measures. Some significant improvements in A level results at Connell Sixth Form College were achieved, where re-takes were significantly higher than the sixth form college benchmark. Connell achieved ALPS 2 at A level putting the College in the top 10% nationally for progress. There has been some significant highlights at Altrincham Grammar School for Girls, achieving our best results for years and a substantial number of the new Grade 9s in both English and maths. South Shore achieved a significant increase in English and maths outcomes and some good performance in other subjects.

Wigan UTC was re-brokered to Northern Schools Trust on 1st February 2017. The Trust is collaborating with the ESFA and the Regional Schools Commissioner to re-broker Connell Sixth Form College as the model within Bright Futures Educational Trust is not financially sustainable with student numbers not achieving targets set, and not increasing from the previous year. As funding at Connell has been based on overestimated student numbers, the amount of funding over advanced is owed back to the ESFA. This is the biggest single contributing factor to the current financial position of the Trust, with circa £1.5 million owed with respect to Connell as at 31 August 2017.

BRIGHT FUTURES EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Key performance indicators

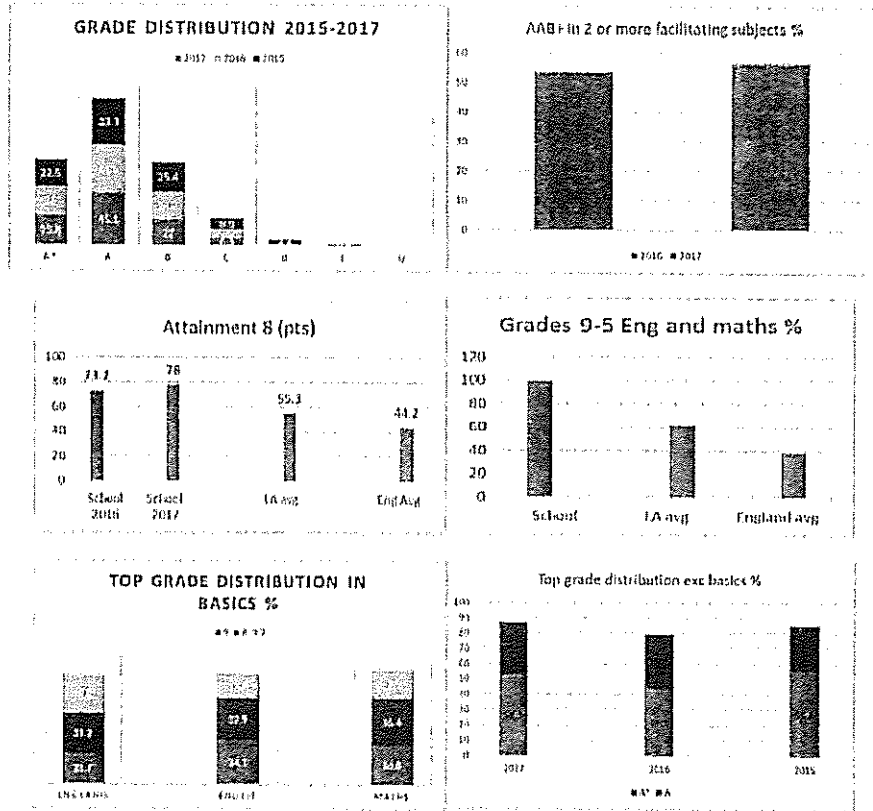
Financial:

- income (percentage of general funds income derived from the GAG) – 77.8% (2016: 79.4%)
- staff costs as a percentage of general funds income – 81.6% (2016: 80.4%)
- cash balance – £3,098,000 (2016: £3,037,000)

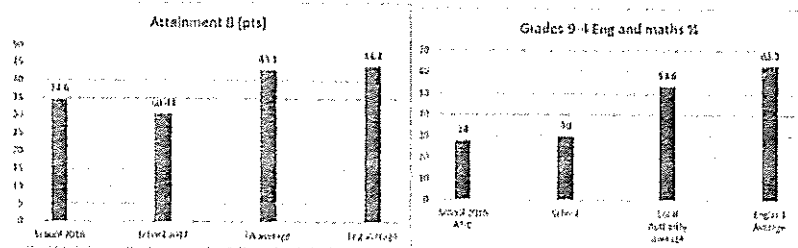
Non-financial:

The Trust's key educational performance indicators (provisional) are as follows:

Allrincham Grammar School for Girls



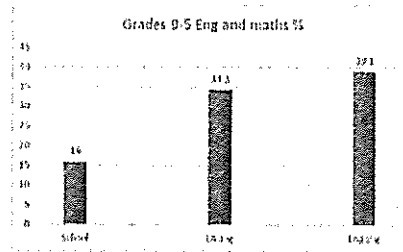
Cedar Mount Secondary Academy



BRIGHT FUTURES EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017



Melland High School

Melland High School
WHOLE SCHOOL TARGET SETTING

Evaluation of Individual Challenging Targets
End of Key Stages 3 + 4
2017

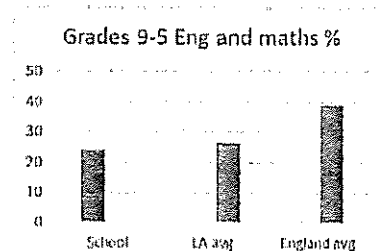
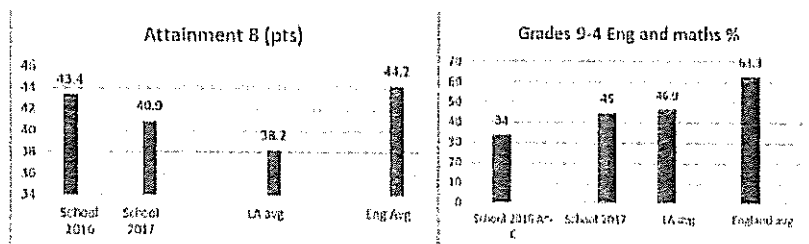
Year 9 (18 pupils)					
Targets	Reading	Writing	Spoken Language	Literacy (11)	ENGLISH
Achieved	56% (10)	56% (10)	67% (12)	100%	94%
Exceeded	22% (4)	21% (4)	33% (6)	18% (3)	24%
Not Achieved	22% (4)	23% (4)	0%	0%	8%

Targets	Number	Measurement	Geography	Statistics (11)	MATHS
Achieved	16% (3)	65% (12)	16% (3)	100%	88%
Exceeded	42% (8)	42% (8)	42% (8)	18% (3)	34%
Not Achieved	42% (8)	9% (2)	42% (8)	0%	7%

Year 11 (16 pupils)					
Targets	Reading	Writing	Spoken Language	Literacy (6)	ENGLISH
Achieved	100%	94% (15)	94% (15)	100%	94%
Exceeded	13% (2)	6% (1)	25% (4)	0%	13%
Not Achieved	0%	0%	0%	0%	0%

Targets	Number	Measurement	Geography		MATHS
Achieved	100%	100%	94%		94%
Exceeded	31% (5)	31% (5)	38% (6)		31%
Not Achieved	0%	0%	0%		0%

South Shore Secondary Academy

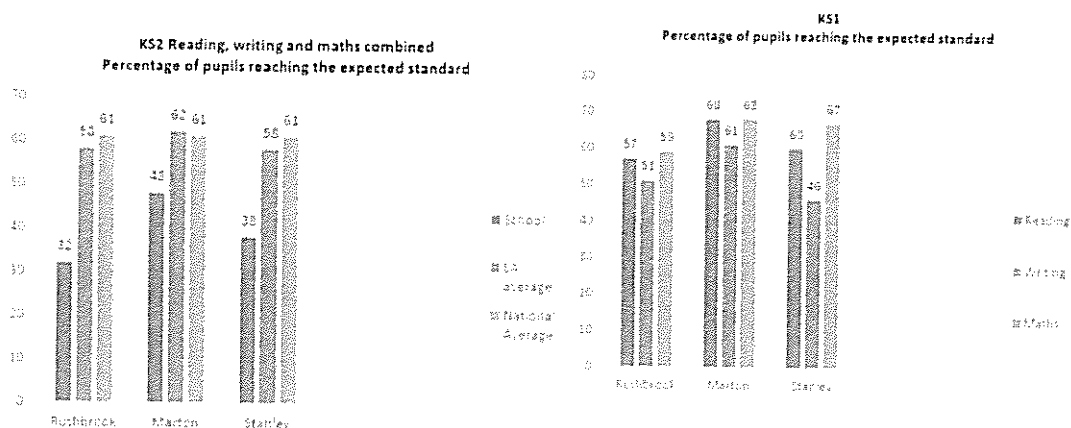


BRIGHT FUTURES EDUCATIONAL TRUST

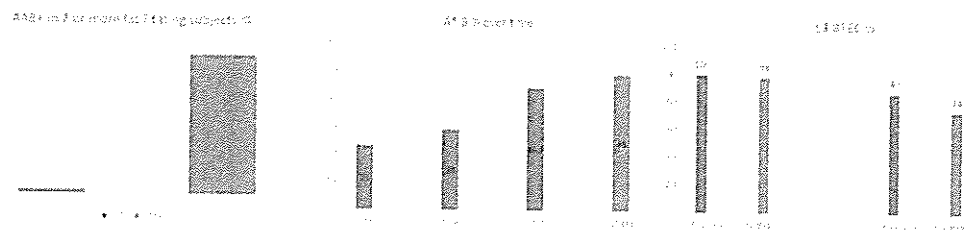
TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Primary Academies (Rushbrook, Marton, Stanley)



Connell Sixth Form College



Going Concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company 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 accounts.

The financial statements have been prepared on the going concern basis, which assumes that the charitable company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued provision of adequate funding. The financial statements do not include any adjustments that would result if the funds were not made available.

The charitable company finances its operations with bank facilities provided by Lloyds Bank and borrowings from the Education Skills Funding Agency (ESFA). At the balance sheet date, amounts due to the ESFA total £5.8m and this includes £2.5m for capital projects and £2.1m for pupil number adjustments. The trustees are in the process of agreeing a repayment plan for these liabilities and for ongoing support to enable the charitable company to continue trading for the foreseeable future.

Whilst there is currently nothing to suggest that these negotiations will not be concluded successfully, if the ESFA withdrew its support, the charitable company would need to make material changes to its future financial planning.

The trustees have concluded that this represents an uncertainty that casts doubt upon the company's ability to continue as a going concern. Nevertheless, after preparing financial forecasts which assume the successful negotiations with the ESFA, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the annual report and accounts.

BRIGHT FUTURES EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Financial Review

For the financial period ended 31 August 2017, financial performance has been analysed across the operating divisions of the Trust which are largely responsible for managing delegated budgets. These are: Alltrincham Grammar School for Girls (AGGS), Melland High School (Melland), Cedar Mount Academy (CMA), Rushbrook Primary Academy (RPA), Stanley Grove Primary Academy (SGPA), Connell Sixth Form College (CSFC), South Shore Academy (SSA), Marton Primary Academy and Head Office.

The main source of income for the Trust is revenue grant funding for individual academies. Funding is based largely on pupil numbers, and the key risk moving forward is a reduction in the number of pupils at schools within the Trust. AGGS, Melland, Rushbrook and Stanley Grove are currently oversubscribed, and pupil numbers at Cedar Mount Academy have started to increase, predominantly due to demographic factors. This trend is expected to continue over the next five years. In Blackpool, at South Shore Academy and Marton Primary Academy, student numbers continue to fall. Once again this is predominantly due to demographic factors but is further exacerbated by new entrant schools into the Blackpool economy. Additionally, Connell Sixth Form College is still not achieving student number targets set, and not increasing from the previous year. As funding at Connell has been based on overestimated student numbers, the amount of funding over advanced is owed back to the ESFA.

Expenditure across the Trust is typical for the education sector with the main area of expenditure being staff costs.

During the year the Trust received revenues from general funds of £32,591,000 (2016: £33,112,000) with the reduction principally reflecting the removal of Wigan UTC from the Trust. Expenditure for the year, excluding pension and fixed asset costs, was £33,123,000 (2016: £34,757,000). The reduction of overheads has led to an operational deficit of £532,000 (2016: £1,645,000) which is an improvement on the prior year.

The trustees' policy on reserves is to strike a balance between financial prudence and achieving the Trust's educational objectives. It is acknowledged both that available assets should remain at a financially secure level and that current year government funding is to meet the educational needs of current year pupils.

Whilst the Trust continues to operate under a Financial Notice to Improve, the financial recovery plan will generate surplus contributions in each year from 2018/19.

Reserves Policy

The level of net liabilities held at 31 August 2017 totals £3,151,000 (2016 net liabilities: £2,430,000). This excludes the fixed asset and pension liability reserves.

The deficit on the Local Government Pension Scheme (£7,782,000 at 31 August 2017) does not mean that an immediate liability crystallises. The deficit results in a cash flow effect for the Academy Trust in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. There is therefore considered to be no material impact on free reserves of the Academy Trust because of recognising the deficit.

Investment Policy

In line with the low levels of cash reserves across the Trust, all cash reserves are currently held in standard current accounts.

As levels of cash increase, a formal investment policy will be proposed for adoption by the Board of Trustees. The aim of the policy will be to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the Trust's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trust does not consider the investment of surplus funds as a primary activity, rather as a result of good stewardship and as and when circumstances allow.

BRIGHT FUTURES EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The Trust will, after constructing and reporting forecasts versus budgets, consider whether it is prudent to deposit funds into an account where improved terms are offered. As improved terms are generally only offered where funds are invested for a fixed term, it may be prudent for the Trust not to invest funds in this manner.

Principal Risks and Uncertainties

Risks across Trust Schools are managed via Individual School Risk Registers, which are reviewed regularly by their Local Governing Bodies. A new Risk Management Strategy has recently been approved by the Trust Board whilst an improved methodology for schools risk management is being consulted upon.

During the year, the Trust managed some significant risks;

Wigan UTC was re-brokered to Northern Schools Academies Trust on 1st February 2017. The Trust is collaborating with the ESFA and the Regional Schools Commissioner to re-broker Connell Sixth Form College as the stand alone model within Bright Futures Educational Trust is not financially sustainable with student numbers not achieving targets set, and not increasing from the previous year.

During the year, the Trust reorganised its Central Team to a streamlined structure that will efficiently deliver its future strategic challenges. Phase 1 of a reorganisation of the finance function was completed to improve the Trust's financial control environment. Additionally, the Trust has been working to strengthen its financial control environment through a series of proactive external reviews including: due diligence of financial plans, balance sheet Integrity review, internal audit of financial planning process, reporting and monitoring arrangements and internal audit of budgetary performance management framework.

Both Cedar Mount Academy and South Shore Academy were removed from special measures. Although Connell Sixth Form College remains judged as Requires Improvement, some significant improvements in outcomes have been reported as previously mentioned in this report. Rushbrook Primary Academy was formally judged to be 'coasting' and a plan was agreed with the Regional Schools Commissioner to raise standards.

The Trust managed its cash flows through close collaboration with the ESFA whilst negotiating its financial recovery package.

The Trust's employees are members of two defined benefit pension schemes, the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). The Trust has recognised its share of the LGPS assets and liabilities in accordance with Financial Reporting Standard 102 section 28. A deficit has been recognised at 31 August 2017. The TPS has been accounted for as a defined contribution scheme. Further details of the accounting policy adopted for each scheme are included in note 1 to the financial statements.

Due to the nature of the two pension schemes there is an underlying risk to the Trust which relates primarily to the uncertainty of the future funding requirements of each scheme, the results of which impact on the contribution rates for future employer contributions to each scheme.

Plans for future periods

Following recent changes in leadership and management (the appointment of a new Chief Executive and a Finance Director) and reorganisation of the Trust Central Executive Team, a new Trust Strategy was recently approved by the Trust Board of Trustees. The Strategy to 2020 seeks to secure; exceptional achievements for all pupils, long term sustainable financial viability, an environment where people are valued and clear and well defined growth.

The strategy is underpinned by seven functional plans with strategic and short-term deliverables in the form of intentions, programmes of work and success criteria. Governed by the Board of Trustees they will provide strategic leadership, monitor school improvement and compliance and oversee effective controls for financial viability. The Trust Executive will provide strategic and operational leadership. Our local governing bodies will provide scrutiny of school development plans and monitor that schools are working within agreed finances and policies

Funds Held as Custodian Trustee on Behalf of Others

No funds are held on behalf of other organisations.

BRIGHT FUTURES EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)

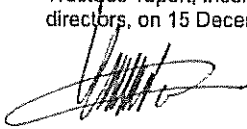
FOR THE YEAR ENDED 31 AUGUST 2017

Auditor

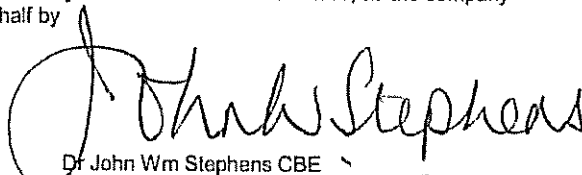
Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable trust's auditors is unaware
- the trustees have taken all the steps that 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.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 15 December 2017 and signed on its behalf by



Mr Yakub Patel
Chairman



Dr John Wm Stephens CBE
Accounting Officer

BRIGHT FUTURES EDUCATIONAL TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Bright Futures Educational 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 only provide reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 agreements between the academy trust and the Secretary of State for Education. The Chief Executive Officer is 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 body has formally met six times during the period. Attendance during the year at meetings of the governing body was as follows:

Trustee	Meetings Attended	Out of a possible
Yakub Patel, Chairman	6	6
John Stephens, CEO	5	5
Mr Alan Foster	6	6
Mr Justin Kelly	1	2
Mr Selva Pankaj	0	2
Mr Jonathan Poole	3	3
Dame Dana Ross-Wawrzynski	2	2
Mr Daniel Rubin	6	6
Mrs Caroline Shaw	3	6
Joan Appleyard	4	4
Lynn Nicholls		

The Audit and Risk Committee is a sub-committee of the main Board of Trustees. Its purpose is to advise the board on all strategic risk-related issues, in particular financial risk. There were five meetings during the period 1 September 2016 to 31 August 2017.

Audit and Risk Committee	Meetings Attended	Out of a possible
Mr Selva Pankaj	1	1
Mr Daniel Rubin – Trustee	4	4
Mr Alan Foster – Trustee	4	4
Mrs Caroline Shaw – Trustee	4	5

BRIGHT FUTURES EDUCATIONAL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Review of Value for Money

As accounting officer, the Chief Executive Officer has responsibility for ensuring that the Bright Futures Educational Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Bright Futures Educational Trust has delivered improved value for money during the year by:

- Value for money is demonstrated by the improvement in outcome previously reported, whilst noting the achievement in an environment of reduced resources.
- Reducing the organisational cost base by £2.6m during the period with further planned reductions in the order of £3.6m. This included brokering Wigan UTC and some significant cost improvements in agency staffing and educational supplies and services.
- Reducing teaching staff numbers where appropriate to match against student numbers across the Trust.
- The reorganisation of associate staffing across the Trust under a new structure. This has both reduced cost and increased effectiveness, with more cohesion between schools and the centre. The staffing areas covered are finance, facilities, HR, IT and clerking of local governing bodies.
- Ceasing the use of external consultants and delivering the contracted services more efficiently.

The Purpose of the System of Internal Financial Controls

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 Bright Futures Educational 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 Bright Futures Educational Trust for the period 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 Bright Futures Educational Trust 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 Bright Futures Educational Trust's significant risks that has been in place for period 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.

The Risk and Control Framework

The 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:

- budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Audit and Risk Committee who report to the full governing body;
- regular reviews by the Audit and Risk Committee of reports which indicate financial performance against forecasts, capital expenditure plans and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset and general expenditure purchase) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

Areas of weakness have been identified within the framework of internal financial controls and the Trust is committed to improving controls and systems in line with audit recommendations.

BRIGHT FUTURES EDUCATIONAL TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The board of trustees has considered the need for a specific internal audit function and has appointed RSM (formerly Baker Tilly Risk Advisory Services LLP) as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Bright Futures Educational Trust's financial systems. On a termly basis, the internal auditor reports to the board of trustees, through the audit and risk committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal auditor has delivered their schedule of planned work for the financial year ending 31 August 2017, which covered review of:

- IT Cyber Security;
- Financial planning processes, reporting and monitoring arrangements;
- Payroll; and
- Budgetary Performance Management Framework.

Review of Effectiveness

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

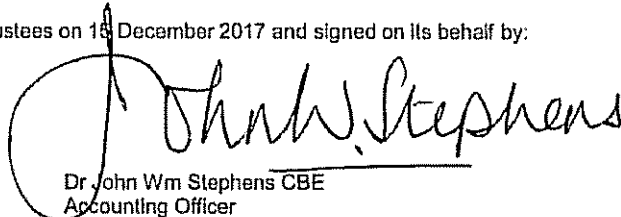
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Risk 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 18 December 2017 and signed on its behalf by:



Mr Yakub Patel
Chairman


Dr John Wm Stephens CBE
Accounting Officer

BRIGHT FUTURES EDUCATIONAL TRUST

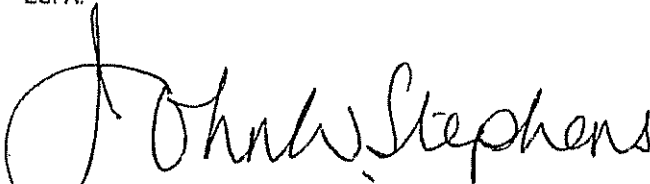
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2017

As accounting officer of Bright Futures Educational 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's 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.



Dr John Wm Stephens CBE

Accounting officer

15 December 2017

BRIGHT FUTURES EDUCATIONAL TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

The trustees (who also act as governors for Bright Futures Educational Trust and are also the directors of Bright Futures Educational Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts 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 accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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.

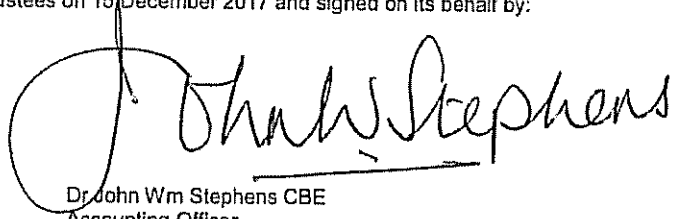
The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DFE have 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 15 December 2017 and signed on its behalf by:



Mr Yakub Patel
Chairman



Dr John Wm Stephens CBE
Accounting Officer

BRIGHT FUTURES EDUCATIONAL TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIGHT FUTURES EDUCATIONAL TRUST

Opinion

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

In our opinion the accounts:

- give a true and fair view of the state of the charitable company'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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

Basis for 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 accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC'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.

Material uncertainty relating to going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1.2 of the financial statements, concerning the continued provision of adequate funding. In view of the significance of the fact that the preparation of the financial statements on the going concern basis assumes the successful conclusion of this matter, we consider that this disclosure should be brought to your attention. Our opinion is not qualified in respect of this.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

BRIGHT FUTURES EDUCATIONAL TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIGHT FUTURES EDUCATIONAL TRUST (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' Report including the incorporated 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 the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report, including the incorporated strategic 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust'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 charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

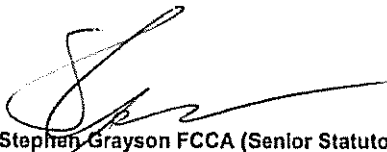
Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

BRIGHT FUTURES EDUCATIONAL TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIGHT FUTURES EDUCATIONAL TRUST (CONTINUED)

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



Stephen Grayson FCCA (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young Manchester LLP

15 December 2017

Chartered Accountants
Statutory Auditor

St James Building
79 Oxford Street
Manchester
M1 6HT

BRIGHT FUTURES EDUCATIONAL TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BRIGHT FUTURES EDUCATIONAL TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter 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 Bright Futures Educational Trust during the period 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 Bright Futures Educational Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Bright Futures Educational Trust and 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 Bright Futures Educational Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Bright Futures Educational Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Bright Futures Educational Trust's funding agreement with the Secretary of State for Education 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 period 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 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 trust's income and expenditure.

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants in England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to be able to report on whether anything has come to our attention which suggests that in all material respects expenditure disbursed and income received have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them. Other than those procedures undertaken for the purposes of our audit of the financial statements of Bright Futures Educational Trust for the year ended 31 August 2017 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

BRIGHT FUTURES EDUCATIONAL TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BRIGHT FUTURES EDUCATIONAL TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Credit card authorisation: The Academies Financial Handbook 2016 requires payments to be approved in line with internally set policies. We identified that authorisation policies for credit cards were not being consistently applied at all schools. Our sample of items tested found 3 items that had not been approved in accordance with the internal policies.



Stephen Grayson FCCA
Reporting Accountant
UHY Hacker Young Manchester LLP
Chartered Accountants
Statutory Auditor

St James Building
79 Oxford Street
Manchester
M1 6HT

Dated: 15 December 2017