
BAYLIS COURT TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019



BAYLIS COURT TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	R Followell (resigned 31 December 2018) R Francis V Mayer (resigned 14 November 2018) R Milne (appointed 1 September 2018) C Parkes J Reekie (resigned 14 November 2018) G Westhead (appointed 3 December 2018) T Wisener (appointed 6 February 2019)
Trustees	J Reekie, Chairman D Ajose, CEO R Kenwrick V Mayer C Mitchell (appointed 6 February 2019) R O'Brien D Parsons C Pearce (resigned 2 May 2019) S Pickett J Thomas (resigned 17 July 2019)
Company registered number	07662414
Company name	Baylis Court Trust
Principal and registered office	BCT Central Offices c/o Reading Girls School Northumberland Avenue Reading Berkshire RG2 7PY
Company secretary	P Spence
Executive management team	D Ajose, Executive Headteacher R Kearsey, Director of Standards A Nayyer, Director of finance and administration
Independent auditors	Landau Baker Limited Mountcliff House 154 Brent Street London NW4 2DR
Bankers	Lloyds Bank Slough Trading Estates Business Centre Lloyds TSB Business Bankings PO Box 1000 BX1 1LT

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Solicitors	Winckworth Sherwood Minerva House 5 Montague Close London SE1 9BB
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The MAT incorporated Baylis Court School, Phoenix Infant Academy (formerly known as Godolphin Infant School), Reading Girls School and Battle Primary Academy. The latter joined the MAT on 1.7.19. The Trust operates primary/secondary academies for pupils aged 4 to 19 serving a catchment area in Slough and Reading. The Trust has a combined pupil number of 2059 of pupils, as at 15th July 2019, made up of 901 at Baylis Court School, 317 at Phoenix Infant Academy, 415 at Reading Girls School and 426 at Battle Primary Academy.

The Trust has agreed to a loan of a maximum of £550k to Reading Girls School. This loan has not yet been drawn down but prudent budget projections forecast that it will be put in place, in controlled stages, during the financial year 2019/20 and beyond. The loan arises from falling numbers on roll, when the MAT took on the school, and projected inflation costs together with increased pension contributions. A marketing programme has been put in place and monitored by Trustees regularly. A repayment schedule will be established when it is financially practical, if and when the loan is drawn down. Areas that produce financial efficiencies from consolidating contracts and resources have been implemented the effect of which has meant a delay in implementing the loan.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document of the academy.

The Trustees of Baylis Court Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Baylis Court Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Trustees' indemnities

There are and were no qualifying third-party indemnity provisions during the financial year to which this report relates.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The Articles of Association state:-

50. The Trustees may appoint by ordinary resolution such number of Trustees as they see fit including any Executive Trustees having regard to:

- (a) any recommendations and views of the Members in relation to ensuring that the people serving on the board of Trustees between them have an appropriate range of skills and experience and due attention is given to succession planning;
- (b) if relevant, the recommendation or nomination by any third-party organisation, from whom the Academies receive support or with whom the Company is working in partnership including any company or organisation.
- (c) connected to the Members, to appoint a person or persons who may represent the views of such third party;
- and
- (d) the desirability of ensuring there is representation amongst the Trustees from the parents of registered pupils at the Academies.

50A. The Trustees may appoint Staff Trustees through such process as they may determine.

50B. The total number of Trustees including the Executive Headteacher who are employees of the Academy Trust shall not exceed one third of the total number of Trustees.

New Trustees are sought by contact with Academy Ambassadors or through recommendation of existing Members or Trustees but are appointed based on the competency/skills they will bring to the Board. Through this process a lawyer has been appointed as a Member and an additional one as a Trustee. The new Quality of Education Committee will be chaired by an educationist and the new Safeguarding, Health & Safety Committee will be chaired by a safeguarding specialist.

e. Policies adopted for the induction and training of Trustees

The majority of the Trustees have many years' experience of school governance and three of the current Trustees served on the Foundation School (Baylis Court School) governing body prior to achieving Academy status and now there are 4 schools within the Trust. The school buys into the Governor Services SLA provided by The Royal Borough of Windsor and Maidenhead and a similar programme with Reading Borough Council, and through that facility a variety of training sessions are run together with a Clerk's briefing service. New Trustees are required to attend an induction training course. Further training and development is identified in relation to the needs of new Trustees. Specific finance training for Trustees is conducted by the Director of Finance and Admin and data training is provided by the Trust's Director of Standards together with an external bought in service.

f. Organisational structure

The Executive Headteacher is the Principal Accounting Officer. A document headed 'Scheme of Delegated Powers' was approved originally by the Trustees on 1.9.15 and renewed annually. This specifies where responsibility for major decision lies. Levels of delegation are:-

Level 1 – Trustees (Trust Board)

Level 2 – Local Governing Body (known as School Governance Committee)

Level 3 – Executive Headteacher

The Terms of Reference for the Trust and its School Governance Committees are set out in a 'Scheme of Delegation' approved by the Trustees. At the first Trustees meeting of each academic year the Scheme of Delegation is reviewed and confirmed.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

A Trust Appraisal and Pay Committee has been established to oversee the pay and targets for the Executive Headteacher and this committee manages her performance management process and sets her pay. In setting her pay due consideration is taken to achievement against targets, the difficulty of recruiting an effective Executive Headteacher but guidance from the DfE is considered. The committee is advised by an external and competent advisor on targets and meets annually with the Executive Headteacher and the advisor to carry out this function. The committee also meets during the year to review the effectiveness of performance management and the progress of the Executive Headteacher with her targets. That committee also agrees the salary range and pay progression for Baylis Court School's senior management (SLT), the Principal of Phoenix Infant Academy, the Principal at Reading Girls School and the same process will be adopted for the Principal of Battle Primary Academy. Decisions are made at the annual meeting of the committee regarding the withholding of salary rises where staff have not met their performance targets or examination performance in subject areas falls below an established standard. Targets for the SLT and Principals are set by the Executive Headteacher who line manages those staff. The Appraisal and Pay Committee met on 3 occasions during the year and the purpose of those meetings is to ensure that performance management was being correctly carried out during the year and to be informed of members of the whole staff that are falling on performance and targets. At the same time, the progress of the Executive Headteacher with her targets are monitored. There is a Pay policy agreed by the Trustees which guides this whole process.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £

Total cost of facility time	-
Total pay bill	6,638,929
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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Objectives and activities

BAYLIS COURT TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

a. Objects and aims

The object and aim of the Trust is for Baylis Court School to be first choice school for girls in Slough and to extend the educational opportunities for girls that come to that school. A similar objective exists for Reading Girls School and also to achieve an Ofsted grade of 'good' at its next inspection which is due in academic year 2019/20.

Both Battle Primary Academy and Phoenix Infant Academy achieved an Ofsted category of 'good' in June 2019.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

b. Objectives, strategies and activities

Targets for Baylis Court School GCSE examinations results and A Level examination results are set at the beginning of the academic year and agreed by the School Governance Committee. During the course of the year Governors review progress against these targets and in particular the projected results for all qualifying pupils. This is done in a challenging way to ensure that the school is doing all it can to provide the best education for all of its pupils in order to equip them for the world after formal education has been completed. Governors question what strategies are being employed where it is apparent that pupils are not achieving their full potential and the school is not on target to achieve its overall targets. A similar process is adopted for Reading Girls School although this only covers GCSE targets as that school currently has no 6th form. Trustees will adopt a similar process for SAT's results at Battle Primary Academy. Trustees oversee this process. The following targets were set and agreed by Governors:

Targets for all schools are set by the Director of Standards and monitored throughout the year. The following results were achieved for the 2018/19 academic year:-

Early Years Foundation Stage

Good Level of Development

	No. Pupils	Below	Achieved	2018 Nat	2018 Sch
All Pupils	100	22	78	72	72

Early Learning Goals

Cohort	96	Overall			
		2018 Nat ELG+	2018 Sch	ELG Expected	ELG Exceeding
Communication and language	Listening and attention	86	79	84	23
	Understanding	86	76	83	19
	Speaking	86	74	84	18
Literacy	Reading	77	77	87	24
	Writing	74	73	80	17
Mathematics	Numbers	80	77	85	xxx35
	Shapes, space and measures	82	76	82	21
Physical development	Moving and handling	90	84	90	18
	Health and self-care	91	82	82	25
Personal, social & emotional development	Self-confidence and self-awareness	89	79	83	21
	Managing feelings and behaviour	88	81	82	19
	Making relationships	90	82	84	19
Understanding the world	People and communities	86	77	81	11
	The world	86	76	80	11
	Technology	93	85	90	14

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

Expressive arts and design	Exploring and using media and materials	89	80	80	12
	Being imaginative	89	77	82	7

Phonic Year 1

% met the phonics screening threshold by the end of Year 1 overall - 80%

Year 2

Teacher Assessments	National 2018		School 2018		Below	At Standard+		Above	
	At Standard+	Above	At Standard+	Above		Target	TA	Target	TA
Reading	75	26	78	27	22	86	78	29	40
Writing	70	16	69	25	28	83	72	24	22
Mathematics	76	22	77	26	23	84	77	28	28

Key Stage 4

Performance indicators	Baylis Court Trust	Baylis Court School		Reading Girls School	
	Result	Target	Result	Target	Result
Attainment 8	53.74	56.00	55.34	56.21	51.21
Grade 9 - 4 English and Maths	75%	80%	78%	89%	71%
Grade 9 -5 in English and Maths	56%	63%	57%	69%	55%
% achieving EBacc	26%	38%	29%	43%	25%

* These figures are based on DfE unvalidated data

Key Stage 5

Performance Indicators	Target	2019
VA Progress	0.25	-0.17
Average result	B	C+
Grade and points for a student's best 3 A-levels	B/40.00	C/31.64

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

c. Public benefit

In setting the objectives, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. In this regard, we run outside of the normal school day opportunities for pupils of Baylis Court School who are getting ready for examinations. The Executive Headteacher is actively involved in the Slough Association of Secondary Heads (SASH) which brings together all Headteachers in Slough (both selective and non-selective) who work to benefit education across Slough. Through this organisation a Slough Teaching School Alliance has been set up with full time staff to assist the work of SASH and to take on work on behalf of the Local Authority. The Executive Headteacher is also an accredited National Leader in Education (NLE). Baylis Court School and Reading Girls School are members of Partners in Excellence (PIXL club) and Challenge Partners and this shares good practice and challenges performance. Both organisations provide opportunities to share best practice across a variety of schools outside of the local environment of Slough and Reading. As part of her personal development the Executive Headteacher has joined the Executive Headteachers programme which is organised by SSAT (Schools Network) Ltd.

Strategic report

Achievements and performance

a. Exam results

GCSE Results

Performance Indicator	Baylis Court Trust
	Result
Attainment8	53.74
Grade 9 - 4 in English and Maths	75%
Grade 9 - 5 in English and Maths	56%
% achieving EBacc	26%

Post 16 Results

Performance Indicators	Target	2019
VA Progress	0.25	-0.17
Average result	B	C+
Grade and points for a student's best 3 A-levels	B/40.00	C/31.64

In addition to reports on specific issues of achievement and performance Trustees receive a comprehensive report from the Executive Headteacher and School Governance Committees receive detailed reports for their own schools from the relevant Principal, all on a termly basis. The Chair of the Trustees meets frequently with the Executive Headteacher to review progress on key objectives and to discuss strategy.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

b. Key performance indicators

The following are the KPI's for the Trust: -

- Ensure the highest standards of teaching, learning and assessment
- Have a shared vision, values, culture and ethos based on the highest expectations of all members of the school community
- To challenge White British, SEND and Disadvantaged learners at all key stages
- To develop a culture of positive learning behaviour
- To ensure that pupils are exceptionally well prepared for the next stage of their education, training or employment

c. Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the academy 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 financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Financial review

a. Overview

The Multi Academy Trust (MAT) received its main funding via the GAG the majority of which is pupil led. The MAT also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

On 17 August 2011, the MAT inherited a staff body at Baylis Court School, through the TUPE process. This staff body included membership of the Local Government Pension Scheme (LGPS), and the deficit on conversion at 1 August 2011 of £587,000 relating to members was transferred. On 1 September 2015, the MAT inherited a staff body at Phoenix infant Academy also through the TUPE process. This staff body included membership of the Local Government Pension Scheme (LGPS), and the deficit on conversion at 1 September 2015 of £453,000 relating to members was transferred. On 1 September 2017, the MAT inherited a staff body at Reading Girls School also through the TUPE process. This staff body included membership of the Local Government Pension Scheme (LGPS), and the deficit on conversion at 1 September 2017 of £357,000 relating to members was transferred. On 1 June 2019, the MAT inherited a staff body at Battle Primary Academy also through the TUPE process. This staff body included membership of the Local Government Pension Scheme (LGPS), and the deficit on conversion at 1 June 2019 of £1,208,000 relating to members was transferred.

Under the Charities SORP, it is necessary to charge projected deficits on the LGPS, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the academy. It should be noted that this does not present the MAT with any current liquidity problem, the employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future.

A finance procedure document determines the way the trust operates finances from day to day and this is informed by the Academy Financial Handbook issued by the DfE. A Responsible Officer undertakes regular checks of procedure and reports directly to Trustees via the Trust Audit, Finance & Resources Committee. There were no issues requiring action identified during the year.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

b. Reserves policy

Total reserves of £48,127,426 are held as at 31 August 2019. There are £4,365,253 restricted funds held and £104,103 unrestricted funds held as at 31 August 2019 that are not available for general purposes of the academy trust. Via the Trust's Audit, Finance & Resources Committee reserves are monitored. They are used to improve the school's buildings stock and where possible to increase accommodation. However, a prudent policy for the use of reserves is followed in view of uncertainty about future funding and in particular the introduction of a national funding formula. The MAT relies heavily on the DfE Minimum Funding Grant (MFG) and projected budgets over a 5-year period show a need to hold reserves to allow the MAT to down manage expenditure efficiently over a period of time as funding becomes tighter and staffing costs increase through pay rises, increased NI costs and increased pension contributions together with inflationary pressures. Reserves have also provided for the agreed loan to Reading Girls School of a maximum of £550k which it is projected will be drawn down in 2019/20 and beyond.

c. Investment policy

MAT Funds, surplus to day to day requirements, are invested with Lloyds Bank Plc in short term or medium-term accounts in order to earn interest for the benefit of school funds. There are no social, environmental or ethical considerations necessary to take into account.

The security of any investment is paramount and will only be made once the Board of Trustees are satisfied that it does not pose a risk to the Trust and that they will be made only with institutions approved by the Board of Trustees in the context of advice from a qualified accountant. Formal approval must be obtained from the Board of Trustees to proceed with any investment.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

d. Principal risks and uncertainties

Trustees identified a potential risk to the MAT when the Department for Education approved the opening of an all-girls free school based on the Muslim faith. As Baylis Court School is an established 'outstanding' school Trustees felt that this gave the school a strong following in the local community but they are not complacent. The Islamic School opened in September 2015 and Trustees are encouraged that Baylis Court School has still remained oversubscribed. There are currently a surplus of places in Slough and Reading at both primary and secondary level following opening of free schools in advance of the demographic requirements. In the meantime, Trustees have discussed the risk to pupil numbers with the Executive Headteacher and opportunities are being sought to increase the local profile of the school to mitigate against this risk.

Trustees are provided with budget forecasts over a 5-year period. These indicate possible financial pressure in the future and are based on the funding formula being static but expenditure rising through inflation, staff pay rises, an increase in national insurance contributions and further increases in pension contributions. In addition there is still uncertainty around the introduction of a national funding formula and a reliance on the MFG. Up to now the MAT has always been able to balance expenditure against income on a yearly basis without recourse to carry forward balances. This has meant that the MAT is currently in a healthy financial position as far as carry forward balances are concerned, and these are being held in reserve for the upkeep of the school estate and to cushion any future budget pressures. However, it is recognised that savings in budget areas will need to be achieved in the future and this aspect of finance receives particular attention by the Board of the Multi Academy Trust as we go forward into 2020 and beyond. There is also an increasing deficit on the LGPS and this is reflected in our Balance Sheet. This position is kept under review.

A risk register is maintained with all the significant risks identified and this is reviewed annually.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Fundraising

Approach to fundraising

Trustees are alive to the issue of fundraising and have considered letting out the premises at Baylis Court School to produce an income. No clear way forward has been presented without their being a risk to the condition of the premises but this will be continually kept in mind. Phoenix Infant Academy premises do not lend themselves to letting and in the case of Reading Girls School an amount of income is generated from the premises and is regulated by a tight lettings policy. Consideration will be given to the issue of letting income from Battle Primary Academy premises once we have established the consolidation of that school into the MAT. Currently the trust has a comfortable balance in reserve but as outlined in this report this will not last forever. The issue of fundraising will be higher on the Trustees programme of work in the future.

Work with, and oversight of, any commercial participators / professional fundraisers

Trustees have not engaged with any professional fundraisers or commercial participators.

Fundraising conforming to recognised standards

See comment above.

Monitoring of fundraising carried out on its behalf

See comment above.

Fundraising complaints

None.

Protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

Not applicable.

Plans for future periods

The stand-alone Academy became a Multi Academy Trust (MAT) on 1 September 2015. On that date Phoenix Infant Academy became part of the MAT, Reading Girls School became part of the MAT on 1.9.17 and Battle Primary Academy became part of the MAT on 1.6.19. It is planned that the MAT will increase over a period of time to take on around 5/6 schools but this will be phased so that the current core of the Trust, i.e. Baylis Court School, does not jeopardise its 'outstanding' status. A significant number of contacts have been made with other schools in a radius of 25 miles from Slough but this has not borne fruit. The Executive Team and the Chair of the Trust have met with the Regional Schools Commissioner to seek their support in extending the Trust and the Executive Headteacher continues with these contacts.

Funds held as custodian on behalf of others

The MAT does not hold any funds as a custodian for others.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The academy carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The academy has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the academy's equal opportunities policy, the academy has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the academy's offices.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Trustees' responsibilities statement

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 2 December 2019 and signed on its behalf by:


J Reekie
Chair of Governors

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GOVERNANCE STATEMENT

Scope of responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the Executive Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Baylis Court Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' report. The board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
J Reekie, Chairman	6	6
D AJose, Executive Headteacher, CEO	5	6
R Kenwick	5	6
V Mayer	6	6
C Mitchell	4	4
R O'Brien	0	6
D Parsons	3	6
C Pearce	0	3
S Pickett	5	6
J Thomas	4	5

R O'Brien was unable to attend any meeting during the year due to ill health.

The changes to the board of Trustees during the year 2018/19 are shown on page 1.

A competency audit was conducted during the year.

The quality of data used by the board is outstanding both in terms of assessment of pupil's progress and attainment and in term of financial monitoring.

The Audit, Finance and Resources committee is a sub-committee of the main Board of Trustees. Its purpose is to agree the budget for the 3 schools making up the MAT for the financial year and to recommend formal acceptance by the Board of Trustees. A 5-year projected budget is produced and this ensures that there is effective financial planning going forward. It also monitors the budgets for the 4 schools during the year. Extensive budget projections and monitoring information is provided by Director of Finance and Admin, A Nayyar, who is a qualified accountant. Experience shows that predictions are accurate, and the Trustees have confidence in the quality of information provided in order for them to make effective decisions. The committee met 3 times during the year.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
J Probert, chairman	3	3
D AJose	2	3
R Kenwick	3	3
V Mayer	2	3
J Reekie	3	3
J Thomas	3	3

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

The accounting officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy has delivered improved value for money during the year by:

- Undertaking a general review of contracts
- Implementing the Financial procedures approved by Trustees to ensure that an appropriate number of quotations/tenders are received before contracts are let and purchases made
- Undertaking competitive tendering where appropriate
- Generally ensuring that 'best price' applies to all purchases
- Close monitoring of the major contracts such as catering and cleaning.

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 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 Baylis Court Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. An independent Responsible Officer oversees financial procedures and ensures that they are followed in practice. Both these reports and the interim audit report reveal no issues to be dealt with.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

BAYLIS COURT TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Landau Baker Limited as internal auditor. The Board of Trustees has not established a separate Audit Committee as the turnover for the MAT does not exceed £50m and audit oversight is provided by the Audit, Finance and Resources Committee of the Trust.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a quarterly basis, the internal auditor reports to the board of Trustees through the audit, finance and resources committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The Board can confirm that the Responsible Officer has delivered their schedule of work as planned, provided details of any material control issues arising as a result of the their work. During the current and previous period, there were no material control issues noted and thus no remedial action was required to be taken.

Review of effectiveness

As accounting officer, the Executive Headteacher 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 auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit, finance and resources committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

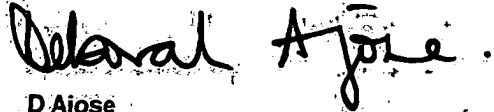
BAYLIS COURT TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the board of Trustees on 2 December 2019 and signed on their behalf by:



J Reekie
Chair of Trustees



D Ajose
Accounting Officer

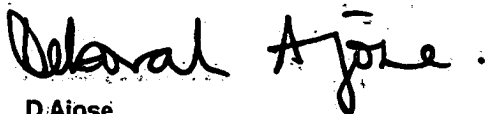
BAYLIS COURT TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Baylis Court Trust I have considered my responsibility to notify the academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy 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 2018.

I confirm that I and the academy board of Trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2018.

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.



D. A. Jose
Accounting Officer
Date: 2 December 2019

BAYLIS COURT TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BAYLIS COURT TRUST**

Opinion

We have audited the financial statements of Baylis Court Trust (the 'academy') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

BAYLIS COURT TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BAYLIS COURT TRUST (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

BAYLIS COURT TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BAYLIS COURT TRUST (CONTINUED)**

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an 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 academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

 **FOR LANDAU BAKER LIMITED**

Carly Pinkus (Senior statutory auditor)

for and on behalf of
Landau Baker Limited

Mountcliff House

154 Brent Street

London

NW4 2DR

2 December 2019

BAYLIS COURT TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BAYLIS COURT TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 31 October 2011 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Baylis Court Trust during the year 1 September 2018 to 31 August 2019 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 Baylis Court Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Baylis Court 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 Baylis Court Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Baylis Court Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Baylis Court Trust's funding agreement with the Secretary of State for Education dated 29 July 2012 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 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 2018 to 2019 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's income and expenditure.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

BAYLIS COURT TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BAYLIS
COURT TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Landau Baker Limited

Reporting Accountant

Landau Baker Limited

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: 2 December 2019

BAYLIS COURT TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	-	(1,069,879)	2,478,610	1,408,731	31,594,472
Charitable activities		-	10,213,392	-	10,213,392	10,421,455
Other trading activities		-	305,763	-	305,763	293,029
Investments	6	23,448	-	-	23,448	12,604
Total income		23,448	9,449,276	2,478,610	11,951,334	42,321,560
Expenditure on:						
Charitable activities	8	-	10,442,981	1,108,619	11,551,600	11,500,010
Total expenditure		-	10,442,981	1,108,619	11,551,600	11,500,010
Net movement in funds before other recognised gains/(losses)		23,448	(993,705)	1,369,991	399,734	30,821,550
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(989,000)	-	(989,000)	1,459,000
Net movement in funds		23,448	(1,982,705)	1,369,991	(589,266)	32,280,550
Reconciliation of funds:						
Total funds brought forward		80,655	(557,042)	49,193,079	48,716,692	16,436,142
Net movement in funds		23,448	(1,982,705)	1,369,991	(589,266)	32,280,550
Total funds carried forward		104,103	(2,539,747)	50,563,070	48,127,426	48,716,692

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 30 to 52 form part of these financial statements.

BAYLIS COURT TRUST
(A company limited by guarantee)

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	15	50,538,425	49,193,079
		<u>50,538,425</u>	<u>49,193,079</u>
Current assets			
Debtors	16	395,426	309,819
Cash at bank and in hand		4,818,674	4,035,498
		<u>5,214,100</u>	<u>4,345,317</u>
Creditors: amounts falling due within one year	17	(720,099)	(601,704)
Net current assets		<u>4,494,001</u>	<u>3,743,613</u>
Total assets less current liabilities		<u>55,032,426</u>	<u>52,936,692</u>
Net assets excluding pension liability		<u>55,032,426</u>	<u>52,936,692</u>
Defined benefit pension scheme liability	23	(6,905,000)	(4,220,000)
Total net assets		<u><u>48,127,426</u></u>	<u><u>48,716,692</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	18	50,563,070	49,193,079
Restricted income funds	18	4,365,253	3,662,958
		<u>54,928,323</u>	<u>52,856,037</u>
Restricted funds excluding pension asset	18	54,928,323	52,856,037
Pension reserve	18	(6,905,000)	(4,220,000)
Total restricted funds	18	<u>48,023,323</u>	<u>48,636,037</u>
Unrestricted income funds	18	<u>104,103</u>	<u>80,655</u>
Total funds		<u><u>48,127,426</u></u>	<u><u>48,716,692</u></u>

The financial statements on pages 27 to 52 were approved by the Trustees, and authorised for issue on 02 December 2019 and are signed on their behalf, by:

BAYLIS COURT TRUST
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019



J Reekie
Chair of Governors

The notes on pages 30 to 52 form part of these financial statements.

BAYLIS COURT TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Baylis Court Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

BAYLIS COURT TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the academy has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the academy, can be reliably measured.

- **Grants**

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Transfer on conversion**

Where assets and liabilities are received by the academy on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the academy. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

BAYLIS COURT TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Freehold property	- straight line based on estimated useful life
Long-term leasehold property	- 125 years
Furniture and equipment	- 33% straight line basis
Computer equipment	- 100% straight line basis

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

BAYLIS COURT TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.8 Liabilities

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

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.10 Pensions

1.11 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

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

BAYLIS COURT TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Restricted funds 2019 £	Restricted funds - class ii 2019 £	Total funds 2019 £
Donations	-	-	-
Capital Grants	-	131,463	131,463
Grants	(1,069,879)	2,347,147	1,277,268
	<u>(1,069,879)</u>	<u>2,478,610</u>	<u>1,408,731</u>

	Restricted funds 2018 £	Restricted funds - class ii 2018 £	Total funds 2018 £
Donations	2,319	-	2,319
Capital Grants	-	101,563	101,563
Grants	(1,940,124)	33,430,714	31,490,590
	<u>(1,937,805)</u>	<u>33,532,277</u>	<u>31,594,472</u>

BAYLIS COURT TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

4. Funding for the academy's educational operations

	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
DfE/ESFA grants			
General Annual Grants	9,088,393	9,088,393	9,217,279
Local Authority Grants	251,988	251,988	256,493
Pupil Premium	449,336	449,336	464,757
Start up grants	-	-	72,900
Other Government Grants	19,792	19,792	31,822
NCTL NSS Bursary	-	-	6,000
Other DfE/ESFA Grants	403,883	403,883	326,088
Other Funding	-	-	46,116
	<u>10,213,392</u>	<u>10,213,392</u>	<u>10,421,455</u>

5. Income from other trading activities

	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Trip Income	35,298	35,298	51,213
Other Income	71,211	71,211	46,687
Catering Income	6,666	6,666	5,145
Letting Income	186,748	186,748	183,864
School concerts	5,840	5,840	6,120
	<u>305,763</u>	<u>305,763</u>	<u>293,029</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment income - other local investments	23,448	23,448	12,604

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Educational Operations:				
Direct costs	6,323,871	-	606,482	6,930,353
Allocated support costs	1,648,615	514,565	2,458,067	4,621,247
	<u>7,972,486</u>	<u>514,565</u>	<u>3,064,549</u>	<u>11,551,600</u>

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Educational Operations	11,437,600	11,437,600	11,433,010
Pension cost	114,000	114,000	67,000

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9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Educational Operations	6,930,353	4,621,247	11,551,600

	Activities undertaken directly 2018 £	Support costs 2018 £	Total funds 2018 £
Educational Operations	7,226,598	4,273,412	11,500,010

Analysis of direct costs

	Educational Operations 2019 £	Total funds 2019 £	Total funds 2018 £
Staff costs	5,568,787	5,568,787	5,933,201
Educational supplies	95,538	95,538	181,175
Supply Agency Costs	755,084	755,084	614,057
Staff development and Training	25,917	25,917	35,140
Other Direct Costs	314,840	314,840	323,058
Technology Costs	44,317	44,317	20,424
Examination Fees	125,870	125,870	119,543
	6,930,353	6,930,353	7,226,598

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2019 £	Total funds 2019 £	Total funds 2018 £
Pension income	114,000	114,000	67,000
Staff costs	1,553,905	1,553,905	1,525,023
Depreciation	1,108,619	1,108,619	1,105,357
Supply Agency Costs	94,710	94,710	119,732
Recruitment & Support	81,944	81,944	77,863
Maintenance of premises & Equipment	192,895	192,895	152,458
Insurance	40,453	40,453	48,855
Technology Costs	169,067	169,067	159,637
Catering	155,965	155,965	128,143
Rent & Rates	105,963	105,963	77,726
Energy	175,254	175,254	173,941
Governance Costs	314,846	314,846	188,267
Unitary charge payment	106,984	106,984	-
Cleaning	158,371	158,371	143,576
Other Premises costs	15,144	15,144	2,253
Security & transport	16,635	16,635	33,019
Other support costs	216,492	216,492	270,562
	<u>4,621,247</u>	<u>4,621,247</u>	<u>4,273,412</u>

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Depreciation of tangible fixed assets	1,108,619	1,152,357
Fees paid to auditors for:		
- audit	<u>16,000</u>	<u>12,000</u>

11. Staff costs

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Staff costs (continued)

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	5,374,252	5,710,804
Social security costs	509,701	563,334
Pension costs	1,238,739	1,184,086
	<u>7,122,692</u>	<u>7,458,224</u>
Agency staff costs	755,084	614,057
Staff restructuring costs	-	34,793
Other costs	94,710	119,732
	<u><u>7,972,486</u></u>	<u><u>8,226,806</u></u>

Staff restructuring costs comprise:

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	101	91
Administrative and support staff	159	128
Management	17	9
	<u><u>277</u></u>	<u><u>228</u></u>

c. Higher paid staff

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

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Staff costs (continued)

c. Higher paid staff (continued)

	2019 No.	2018 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	2	2
In the band £90,001 - £100,000	1	1
In the band £100,001 - £110,000	2	-
	<u>2</u>	<u>-</u>

d. Key management personnel

The key management personnel of the academy comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy was £633,927 (2018: £621,819).

12. Central services

The academy has provided the following central services to its academies during the year:

- Phoenix Infant School
- Reading Girls School
- Battle Primary Academy

The academy charges for these services on the following basis:

The total costs based on the approved budget representing 3.5% of total budget income will be £139,942.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Phoenix Infant School	64,942	69,463
Reading Girls School	75,000	78,621
Total	<u>139,942</u>	<u>148,084</u>

13. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

2019 2018

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Trustees' remuneration and expenses (continued)

		£	£
Executive Headteacher	Remuneration	130,000 -	125,000 -
		135,000	130,000
	Pension contributions paid	20,000 -	20,000 -
		25,000	25,000

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

14. Trustees' and Officers' insurance

The academy has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

15. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2018	14,584,467	37,575,912	420,257	564,833	53,145,469
Additions	2,717,913	-	128,318	146,917	2,993,148
At 31 August 2019	17,302,380	37,575,912	548,575	711,750	56,138,617
Depreciation					
At 1 September 2018	2,043,307	1,162,105	285,993	460,985	3,952,390
Charge for the year	666,495	734,082	120,484	126,741	1,647,802
At 31 August 2019	2,709,802	1,896,187	406,477	587,726	5,600,192
Net book value					
At 31 August 2019	14,592,578	35,679,725	142,098	124,024	50,538,425
At 31 August 2018	12,541,160	36,413,807	134,264	103,848	49,193,079

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16. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	49,534	38,236
Other debtors	78,301	89,984
Prepayments and accrued income	267,591	181,599
	<u>395,426</u>	<u>309,819</u>

17. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	45,836	128,357
Other taxation and social security	152,207	132,122
Other creditors	22,314	86,301
Accruals and deferred income	499,742	254,924
	<u>720,099</u>	<u>601,704</u>

	2019 £	2018 £
Deferred income at 1 September 2018	112,934	188,981
Resources deferred during the year	198,146	112,934
Amounts released from previous periods	(112,934)	(188,981)
	<u>198,146</u>	<u>112,934</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds					
General Funds - all funds	80,655	23,448	-	-	104,103
Restricted general funds					
Restricted Funds - all funds	3,662,958	10,657,276	(9,954,981)	-	4,365,253
Pension reserve	(4,220,000)	(1,208,000)	(488,000)	(989,000)	(6,905,000)
	<u>(557,042)</u>	<u>9,449,276</u>	<u>(10,442,981)</u>	<u>(989,000)</u>	<u>(2,539,747)</u>
Restricted fixed asset funds					
Class II Restricted Funds - all funds	49,193,079	2,478,610	(1,108,619)	-	50,563,070
Total Restricted funds	<u>48,636,037</u>	<u>11,927,886</u>	<u>(11,551,600)</u>	<u>(989,000)</u>	<u>48,023,323</u>
Total funds	<u>48,716,692</u>	<u>11,951,334</u>	<u>(11,551,600)</u>	<u>(989,000)</u>	<u>48,127,426</u>

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

Restricted fixed assets funds have been increased by capital grants provided by the DfE and reduced by depreciation charges.

Restricted general funds have been increased by revenue grants provided by the DfE and reduced by expenditure incurred in the operation of the academy.

The restricted funds can only be used in terms of limitations imposed by the Funding Agreement with the DfE and the terms of any specific grant.

Unrestricted funds have been increased by voluntary contributions by parents and reduced by expenditure incurred in the operation of the academy.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Baylis Court School	3,703,622	3,267,666
Phoenix Infant School	281,105	199,861
Reading Girls School	344,840	276,086
Battle Primary School	139,789	-
Total before fixed asset funds and pension reserve	4,469,356	3,743,613
Restricted fixed asset fund	50,563,070	49,193,079
Pension reserve	(6,905,000)	(4,220,000)
Total	48,127,426	48,716,692

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
Baylis Court School	4,040,430	87,970	975,301	5,103,701
Phoenix Infant School	1,507,467	11,365	634,381	2,153,213
Reading Girls School	1,792,338	2,026	1,064,718	2,859,082
Battle Primary School	258,251	-	68,734	326,985
Academy	7,598,486	101,361	2,743,134	10,442,981

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Unrestricted funds					
General Funds - all funds	52,492	28,163	-	-	80,655
Restricted general funds					
Restricted Funds - all funds	2,832,854	18,543,242	(17,543,707)	-	3,662,958
Pension reserve	(2,726,000)	(1,998,000)	(709,000)	1,213,000	(4,220,000)
	<u>106,854</u>	<u>16,545,242</u>	<u>(18,252,707)</u>	<u>1,213,000</u>	<u>(557,042)</u>
Restricted fixed asset funds					
Class II Restricted Funds - all funds	16,887,730	33,559,858	(1,423,940)	-	49,193,079
Total Restricted funds	<u>16,994,584</u>	<u>50,105,100</u>	<u>(19,676,647)</u>	<u>1,213,000</u>	<u>48,636,037</u>
Total funds	<u><u>17,047,076</u></u>	<u><u>50,133,263</u></u>	<u><u>(19,676,647)</u></u>	<u><u>1,213,000</u></u>	<u><u>48,716,692</u></u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	50,538,425	50,538,425
Current assets	104,103	5,085,352	24,645	5,214,100
Creditors due within one year	-	(720,099)	-	(720,099)
Provisions for liabilities and charges	-	(6,905,000)	-	(6,905,000)
Total	<u><u>104,103</u></u>	<u><u>(2,539,747)</u></u>	<u><u>50,563,070</u></u>	<u><u>48,127,426</u></u>

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19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	-	49,193,079	49,193,079
Current assets	80,655	4,264,662	-	4,345,317
Creditors due within one year	-	(601,704)	-	(601,704)
Provisions for liabilities and charges	-	(4,220,000)	-	(4,220,000)
Total	80,655	(557,042)	49,193,079	48,716,692

20. Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income for the year (as per Statement of financial activities)	399,734	30,821,550
Adjustments for:		
Depreciation	1,108,619	1,105,357
Defined benefit pension scheme obligation inherited	1,208,000	1,998,000
Defined benefit pension scheme cost less contributions payable	374,000	342,000
Defined benefit pension scheme finance cost	114,000	67,000
Increase in debtors	(85,607)	(95,960)
Increase in creditors	118,395	133,514
Net cash provided by operating activities	3,237,141	34,371,461

21. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	4,818,674	4,035,498
Total cash and cash equivalents	4,818,674	4,035,498

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22. Conversion to an academy trust

On 1 July 2019 Battle Primary Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Baylis Court Trust from Reading Borough Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets			
Freehold land and buildings	-	2,313,799	2,313,799
Other tangible fixed assets	-	33,346	33,346
Current assets			
Cash - representing budget surplus on LA funds	138,121	-	138,121
Non-current liabilities			
Pension Liability	(1,208,000)	-	(1,208,000)
Net (liabilities)/assets	<u>(1,069,879)</u>	<u>2,347,145</u>	<u>1,277,266</u>

23. Pension commitments

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Royal Borough of Windsor and Maidenhead. Both are multi-employer defined benefit schemes.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the year amounted to £549,519 (2018 - £578,945).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £344,000 (2018 - £332,000), of which employer's contributions totalled £262,000 (2018 - £251,000) and employees' contributions totalled £ 82,000 (2018 - £81,000). The agreed contribution rates for future years are 16.6% per cent for employers and 5.5-12.5% per cent for employees.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.70	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.85	2.65

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	22.1	23.1
Females	24.0	25.2
<i>Retiring in 20 years</i>		
Males	23.7	25.3
Females	25.8	27.5

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	2,587,000	1,447,000
Corporate bonds	674,000	463,000
Property	587,000	423,000
Cash and other liquid assets	365,000	456,000
Longevity insurance	(270,000)	(94,000)
Target return portfolio	222,000	125,000
Commodities	29,000	58,000
Infrastructure	454,000	207,000
Total market value of assets	4,648,000	3,085,000

The actual return on scheme assets was £215,000 (2018 - £125,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £	2018 £
Current service cost	(517,000)	(591,000)
Interest income	90,000	125,000
Interest cost	(204,000)	(192,000)
Total amount recognised in the Statement of Financial Activities	(631,000)	(658,000)

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	7,305,000	5,436,000
Transferred in on existing academies joining the trust	2,306,000	1,998,000
Transferred out on existing academies leaving the trust	517,000	591,000
Interest cost	204,000	192,000
Employee contributions	82,000	81,000
Actuarial losses/(gains)	1,114,000	(814,000)
Benefits paid	(91,000)	(179,000)
Past service costs	116,000	-
At 31 August	11,553,000	7,305,000

Changes in the fair value of the academy's share of scheme assets were as follows:

	2019 £	2018 £
At 1 September	3,085,000	2,164,000
Transferred in on existing academies joining the trust	1,098,000	-
Expected return on assets	-	50,000
Interest income	90,000	75,000
Actuarial gains	125,000	645,000
Employer contributions	262,000	251,000
Employee contributions	82,000	81,000
Benefits paid	(91,000)	(179,000)
Admin expenses	(3,000)	(2,000)
At 31 August	4,648,000	3,085,000

24. Members' liability

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

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25. Related party transactions

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustees has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 13.