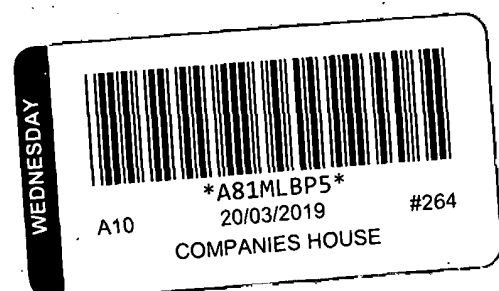


Registered number: 07962059

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018



EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

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EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members	D M Perks M A Smith J S Perks L L Katon E A J Davies
Trustees	D Hayes D M Perks A S Cuthbert S Lawes K Hinde E A J Davies R Al Ghabra A Atashzal, Chair R B G Harries
Company registered number	07962059
Company name	East London Science School Trust
Principal and registered office	The Clock Mill Three Mill Lane London E3 3DU
Senior management team	D M Perks, Principal M Taylor, Vice Principal P Cornish, Vice Principal P Phebey, Director of Pupil Achievement J Copestake, Pastoral Lead C Beardsmore-Rust P Sircar, Business Manager
Independent auditor	MHA MacIntyre Hudson Chartered Accountants New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ
Bankers	Lloyds Lower Ground Floor 52-53 The Arcade Westfield Stratford City E20 1EH

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND
ADVISERS**
FOR THE YEAR ENDED 31 AUGUST 2018

Advisers (continued)

Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ
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EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2017 to 31 August 2018. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

Structure, governance and management

CONSTITUTION

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

The charitable company's Memorandum of Association is the primary governing document of the Academy Trust.

The Trustees of East London Science School Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as East London Science Academy Trust.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

MEMBERS' LIABILITY

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

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the Academy Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Academy deed. The Board of Trustees may appoint up to 10 Trustees, whose term of office shall be 4 years, save that this time limit shall not apply to the Principal. Any Trustee may be re-elected. Two Parent Trustees are elected for parents with children currently at the Academy and also with the possibility of one Staff Trustee if the Board decides to do so. The Board can also co-opt three Trustees.

The Board of Trustees reviews the skills mix and seeks out individuals who can contribute to specific areas. Each Trustee is allocated at least one committee to work with that best suits their skills set. Suitable training is sought for all Trustees and specific training is provided to assist the Trustees in carrying out their role on the Board. The Chair of Trustees is responsible for reviewing the Trustees' performance and reporting that back to the Members.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

All prospective Trustees must meet the Chair and the Principal to understand their role within the school before appointment. All new Trustees will be given the opportunity of a tour of the school, have the chance to meet with staff and pupils and are provided with copies of key documents they need to fulfil their role as Trustees. NPW has been engaged to assist in a detailed induction process for all the new Trustees. This training will be tailored specifically to the individuals. All Trustees will be given level two child protection training. All Trustees are required to have an enhanced DBS disclosure.

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

The new Trustees are required to attend one meeting as an observer before appointment. Particular aspects of training will be identified immediately and implemented over a reasonable time frame with safeguarding being made a priority where appropriate.

ORGANISATIONAL STRUCTURE

The organisational structure currently consists of four levels:

- the Trustees, who are directors of the Academy;
- the committees (Curriculum; Finance & Administration; Admissions, behavior and exclusions; Pay and Performance Management and site);
- the Senior Leadership Team.
- Academy Health & Safety Committee (Sub-committee of Finance and Admin)

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The only remaining connected organisation was the Physics Factory, which is now dormant.

The Physics Factory was an independent charity working alongside the School. The Principal is the founding Director of the charity. The Physics Factory existed to promote the teaching of physics in the state schools and offers bespoke CPD to teachers across East London.

Once the operating officer resigned from his post the activities of the Physics Factory ceased. Its remaining funds are being held in trust and will be utilised in 2021 to develop facilities in a custom built campus.

TRUSTEES' INDEMNITIES

The Trustees have assessed the major risks to which the Academy is exposed, in particular those related to the operations and finances of the academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. During the year, the Academy Trust was covered against trust risks through the Risk Protection Arrangement provided by the ESFA.

OBJECTIVES, STRATEGIES AND ACTIVITIES

The Trustees are satisfied that the objectives set for the Academy have been attained with a modest budgetary surplus at the end of this financial year. The Academy produced its first set of GCSE results in the summer of 2018. The results reflected a good performance overall with areas to improve upon in the future. The sciences are a real strength. The Sixth Form opened in our new site in September 2018. We are offering a strong A-level curriculum focused on Mathematics and Science. The expansion planned for Lock-Keepers site has been agreed and will be undertaken in 2018-19. The behavior inclusion unit was opened during the summer term of 2018. This is aimed at reducing permanent exclusion.

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

OBJECTS AND AIMS

The Academy's objective is set out in its Articles of Association. This is to establish, maintain, manage and develop an Academy offering a broad curriculum with an emphasis on, but in no way limited to, the STEM subjects. The Academy aims to be an important centre for the teaching of science and computer science in East London by developing its subject specialism. This will mean opening in the future a large sixth form to deliver science and mathematics 'A' Levels. More broadly, the Academy aims to offer the majority of its pupils the chance to achieve an English EBACC by offering a range of good qualifications at GCSE including an emphasis on language and humanities.

The Academy also offers a unique wide ranging enrichment curriculum, which aims to broaden the outlook of every child. We are also developing a bespoke careers service to operate for years 10 and 11 pupils.

PUBLIC BENEFIT

The Trustees of the Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties.

East London Science School aims to be an outstanding and inclusive school for the local community, specifically the students who attend the school but also the wider community including local primary schools and the public through the letting of its premises. The priority is providing a high quality education for its students in a safe and caring community.

Achievements and performance

GOING CONCERN

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Reserves and Principal Risks and Uncertainties section of this report.

KEY PERFORMANCE INDICATORS

Key financial performance indicators include:

- Pupil enrolment both in the new intake and across the School
- Balance of incoming and outgoing resources
- Year-to-date spend against forecast
- Distribution of spend across categories (for example salaries, educational supplies, extra curricular activities)
- Ongoing capital investment
- Staff recruitment and retention

REVIEW OF ACTIVITIES

The Academy is recruiting pupils, curriculum development and delivery, site setup and ongoing maintenance, quality of teaching, DFE and OFSTED inspections, leadership, managing the day to day operating finance and dealing with the setup of IT across two sites.

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

INVESTMENT POLICY AND PERFORMANCE

The Trust has no investments at present but in future years, plans to build up a reserve against depreciation of assets especially IT. This will be done looking to the future permanent site setup.

Financial review

FINANCIAL REPORT FOR THE YEAR

During the year ended 31 August 2018, the deficit of income over expenditure for the year (before recognised gains and losses and excluding capital restricted funds) equated to £222,681 (2017- surplus £153,229), represented by total expenditure of £5,209,431 (2017- £4,059,610) against income of £4,720,941 (2017- £4,198,408).

The School funds carried forward as at 31 August 2018 are £495,040 (2017- £1,305,824), including capital funds which are represented by fixed assets of £887,721 (2017- £1,292,595).

The School's net assets (i.e. total reserves) as at 31 August 2018 were £495,040 (2017- £1,305,824) comprising a £392,681 deficit (2017- £13,229 surplus) of restricted funds, a nil deficit (2017- £Nil) of unrestricted general funds and a £887,721 surplus (2017 - £1,292,595 surplus) of restricted fixed asset funds. At 31 August 2018 the School held cash balances of £461,861 (2017- £408,813). The School assets will be used exclusively for providing education and the associated support services to the students of the School and the local community.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees have reviewed and identified the major risks to which the Academy Trust is exposed to and systems and procedures have been established to manage those risks. The key risks and uncertainties are summarised below:

1. Lack of demand for places leading to the Academy operating at less than 100% capacity

Mitigation: The Academy received offers close to four times the PAN of 120 each year. The number of first choice places is rising year on year. In order to proactively mitigate the risk of low intake the Academy runs an effective marketing and community outreach operation throughout the year and is the primary liaison with primary schools through Academy staff.

2. Uncertainty around the operating costs

Mitigation: This is being managed through strategic financial planning and robust monitoring of the Academy budget. The expenses being managed within an extremely tight budget and a robust system of centralised spending which is overseen by the finance committee. All expenses are staged throughout the year and are tied in with the clawback payment schedule on a cohort and long term basis.

A 5 year plan has been agreed with the ESFA, with a claw-back payment plan being implemented including potential pupil recruitment numbers over 5 years, outlining a fully realistic path to sustainability of budget and pupil recruitment.

Temporary site setup and maintenance are being managed within a very tight budget and centralised spending which is overseen by the finance committee.

The Trustees and the Principal maintain a rigorous and effective set of financial procedures to support their overall financial and risk management objectives.

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

3. Extension and planning Lock-keepers campus into 2017-2020

Mitigation of potential risks regarding split site and the future site arrangements

Mitigation: Early planning application to Tower Hamlets has been completed with extension up to 2021.

4. Development of permanent site

Mitigation: Final site planning signed for summer of 2018.

5. Reputational risk

Mitigated by a very strong team working with admission, behaviour and work closely with outside services in both Newham and Tower Hamlets, including our local police force and social workers. A very strong pastoral system and an emerging PTA, all of which means that we have close relationships to both pupils and parents and the School's reputation is growing year on year as an effective school.

6. Performance risk

The Schools academic progress revolves around a very strong assessment system with regular reporting to the parents with transparency and honesty around pupil performance and hence clear targets and demands are set for improvement on a regular basis. The Academy anticipates a stronger performance year on year in National Exams and GCSEs'. The School tracks student performance against a comprehensive internal testing regime to develop weaker pupil performance.

7. Financial risk

The principal financial risks are a reduction in pupil intake, reduction in central government funding and unbudgeted increase in teaching or support staff costs. The School continues to grow in each cohort year on year and has put in place a 5 year plan to manage the impact of claw-back with the ESFA. The School's FT and FF&E budgets were consciously designed to allow the flexibility that the School may need if it has to move site.

8. Risk associated with personnel

The School has a very committed and strong staff team including a robust teacher training system, which means that our staff feels supported and develop in terms of their careers and sees themselves working with us as they grow and develop with the school.

The Academy Trust practices through its Board of Trustees and the constituted committees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated. The Board of Trustees accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Board of Trustees collectively, whilst more minor risks are dealt with by senior executive officers.

RESERVES POLICY

The Academy Trust plans to build up a small reserve to meet any eventuality. However, owing to the 5 year claw-back re-payment plan submitted with the ESFA for the next 5 years it will be difficult to build up a significant surplus. The Academy Trust aims to maintain a small reserve to cater for any eventuality.

Although there is still a claw-back of £397,595, this is being managed according to the payment schedule agreed with the ESFA within our cash flow budget. During the 2018-2019 the Academy will pay back a sum of £150,000 in twelve instalments of £12,500 each. The remaining amount will be paid in subsequent years in monthly instalments of £5,158. This will not impact on the standard of learning and teaching at the Academy. The Academy will be monitoring and reviewing its financial situation at each step. The Academy does not foresee any problem in continuing its payment schedule.

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

FUNDRAISING

Currently the Academy Trust is located in temporary accommodation and the Trust has limited opportunities to use its facilities, outside of school hours, to let to external parties. It estimates to raise a modest sum through a Chinese student exchange program to partly cover our educational visits program.

FUTURE DEVELOPMENTS

- The Trust aims to grow year on year with each new cohort of year 7 and secondly to develop a Key Stage 5 curriculum starting from Year 12 including options for more able to do more humanities and language qualifications. To develop strong links with businesses in the IT sector with links to our computer science Curriculum and our careers education.
- To train and recruit an expanding team in the Sciences and Mathematics especially given the Sixth Form curriculum in which every pupil must take Maths along with one Science at A-Levels.
- To develop the Sixth Form, which is based in our new campus. It is expected to grow from a small start in the first year rising to about 150, prior to going into custom built Academy site. Besides, the expansion of Lock-keepers site to accommodate additional pupil numbers in years 10 and 11 as well as the growth of the pupil inclusion unit.
- To build on our success at GCSE and to establish the school as one of the top schools in Newham in the next 2-3 years.
- Strengthen our reputation in areas of science and mathematics and to continue to develop our links with the local primary schools.

PAY POLICY FOR KEY MANAGEMENT PERSONNEL

Performance related pay policy is based on our own scale with the option to award between 0% and 3.9% on basic pay.

FUNDS HELD AS CUSTODIAN

The residual funds from recently ended Physics Factory initiative will be used to add facility to the final site, which is estimated to be completed by 2021.

EAST LONDON SCIENCE SCHOOL TRUST
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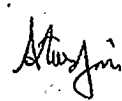

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

DISCLOSURE OF INFORMATION TO AUDITOR

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 the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees' Report was approved by order of the Board of Trustees, as the company directors, on 17/12/2018 and signed on its behalf by:



A Atashzai
Chair of Governors

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between East London Science School Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 3 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
D M Perks	3	3
Dr Roba Al Ghabra	3	3
Dr Shirley Lawes	1	3
A Sehgal Cuthbert	2	3
S Lawes	3	3
Rob Harris	3	3
K Hind	3	3
Beth Davies	3	3

During the year there were the following key changes in the composition of the Board of Trustees and challenges that arose for the board.

Governance Development:

The full Board has undertaken the first of what will be an annual training day and Stone King have been asked to make a presentation to the board on Good Governance which will focus, thinking of the future, on how a MAT works.

The Finance (FC) Committee is responsible for all financial and resource management, all internal and external financial reporting, ensuring an effective internal control environment, human resources, legal, premises, any construction issues and to consider other general matters not falling within the remit of any other committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
D M Perks	5	5
Beth Davies	3	5
K Hind	5	5
Rob Harris	3	5
M Taylor	3	5
P Sircar	5	5

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Principal has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

1. East London Science Academy is committed to delivering value for money as an integral part of its Academy strategy. It endeavours to achieve Value for Money from public funds and all other sources of funding. Similarly, the responsibility for pursuing Value for Money lies with all staff, and not just those with financial duties.

2. In order to meet its commitment to achieve Value for Money (VfM) the Academy has set itself the following aims:

To integrate VfM principles within the Schools existing management, planning, review and decision-making processes, particularly in regard to projects or activities with significant financial implications.

To adopt recognised good practice where appropriate.

To benchmark School's activities against other similar activities and Schools where this is considered useful.

To respond to opportunities to enhance the economy, efficiency and effectiveness of the School's activities.

To demonstrate actively to both internal and external observers that the achievement of VfM is sought in all activities undertaken.

To ensure that all staff recognise their continuing obligation to seek VfM as part of their routine activities.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in East London Science School Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance 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 not to appoint an internal auditor. However, the Governors have decided to use a separate team in MHA MacIntyre Hudson to carry out periodic 'Responsible Officer' (RO) checks. The Chair of the Finance Committee, R Applah, is responsible for reviewing the report and briefing the Board of Trustees.

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. Periodically, the RO reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. During the year the RO carried out a half yearly visit and suggested some reinforcement and process refinement measures. This report was discussed at the finance committee and the suggested improvements were put in place.

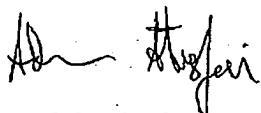
REVIEW OF EFFECTIVENESS

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

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

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

Approved by order of the members of the Board of Governors on 15/12/2018 and signed on their behalf, by:



A Atashzai
Chair of Governors

D M Perks
Accounting Officer



EAST LONDON SCIENCE SCHOOL TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of East London Science School Trust I have considered my responsibility to notify the academy trust 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 trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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 M Perks
Accounting Officer

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The Governors (who act as Trustees of East London Science School Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & 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:

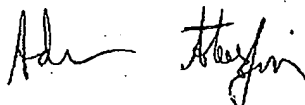
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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.

Approved by order of the members of the Board of Trustees on 17/12/2018 and signed on its behalf by:



A Atashzai
Chair of Trustees

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EAST LONDON SCIENCE SCHOOL TRUST

OPINION

We have audited the financial statements of East London Science School Trust (the 'Academy Trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including 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 2017 to 2018 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 Trust's affairs as at 31 August 2018 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 2017 to 2018 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the 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 Trust'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.

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EAST LONDON SCIENCE SCHOOL TRUST

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the 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 year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Academy Trust 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.

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EAST LONDON SCIENCE SCHOOL TRUST

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

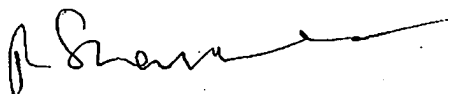
AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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



Rakesh Shaunak FCA (Senior Statutory Auditor)
for and on behalf of
MHA MacIntyre Hudson
Chartered Accountants & Statutory Auditor
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Date:

19 Dec 18

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EAST LONDON SCIENCE SCHOOL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by East London Science School Trust during the year 1 September 2017 to 31 August 2018 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 East London Science School Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to East London Science School Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than East London Science School Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF EAST LONDON SCIENCE SCHOOL TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of East London Science School Trust's funding agreement with the Secretary of State for Education dated 3 March 2017, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Reviewing the minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity.
- Review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EAST LONDON SCIENCE SCHOOL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

- Testing of a sample of payroll payments to staff
- Testing of a sample of payments to suppliers and other third parties
- Testing of a sample of grants received and other income streams
- Evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Accounting Officer.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA MacIntyre Hudson

MHA MacIntyre Hudson
Chartered Accountants & Statutory Auditors
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Date: 19 DEC 18

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	-	-	92,423	92,423	913,299
Charitable activities	5	17,539	4,693,683	-	4,711,222	4,191,667
Other trading activities	3	8,706	-	-	8,706	6,332
Investments	4	1,013	-	-	1,013	409
TOTAL INCOME		27,258	4,693,683	92,423	4,813,364	5,111,707
EXPENDITURE ON:						
Charitable activities		27,258	5,182,173	480,717	5,690,148	4,469,913
TOTAL EXPENDITURE	7	27,258	5,182,173	480,717	5,690,148	4,469,913
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	17	-	(488,490)	(388,294)	(876,784)	641,794
		-	16,580	(16,580)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		-	(471,910)	(404,874)	(876,784)	641,794
Actuarial gains on defined benefit pension schemes	21	-	66,000	-	66,000	13,000
NET MOVEMENT IN FUNDS		-	(405,910)	(404,874)	(810,784)	654,794
RECONCILIATION OF FUNDS:						
Total funds brought forward		-	13,229	1,292,595	1,305,824	651,030
TOTAL FUNDS CARRIED FORWARD		-	(392,681)	887,721	495,040	1,305,824

The notes on pages 23 to 42 form part of these financial statements.

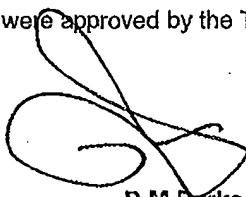
EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07962059

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	14		887,721		1,292,595
CURRENT ASSETS					
Debtors	15	231,338		156,202	
Cash at bank and in hand		461,861		408,813	
		<u>693,199</u>		<u>565,015</u>	
CREDITORS: amounts falling due within one year	16	(915,880)		(411,786)	
NET CURRENT (LIABILITIES)/ASSETS			(222,681)		153,229
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>665,040</u>		<u>1,445,824</u>
Defined benefit pension scheme liability	21		(170,000)		(140,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>495,040</u>		<u>1,305,824</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	(222,681)		153,229	
Restricted fixed asset funds	17	887,721		1,292,595	
Restricted income funds excluding pension liability		<u>665,040</u>		<u>1,445,824</u>	
Pension reserve		(170,000)		(140,000)	
Total restricted income funds			<u>495,040</u>		<u>1,305,824</u>
TOTAL FUNDS			<u>495,040</u>		<u>1,305,824</u>

The financial statements on pages 20 to 42 were approved by the Trustees, and authorised for issue, on 17/12/2018 and are signed on their behalf, by:


A Atashzai
Chair of Trustees


D M Perks
Principal

The notes on pages 23 to 42 form part of these financial statements.

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	19	35,455	110,705
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,013	409
Purchase of tangible fixed assets		(75,843)	(911,388)
Capital grants from DfE Group		92,423	913,299
Net cash provided by Investing activities		17,593	2,320
Change in cash and cash equivalents in the year		53,048	113,025
Cash and cash equivalents brought forward		408,813	295,788
Cash and cash equivalents carried forward	20	461,861	408,813

The notes on pages 23 to 42 form part of these financial statements.

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

East London Science School Trust constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in pound sterling which is the functional currency of the Academy Trust, and have been rounded to the nearest pound.

1.2 Fund accounting

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

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

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

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

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

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

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

1.4 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.

Expenditure on charitable activities are costs incurred on the Academy Trust's educational operations, including support costs and those costs relating to the governance of the Academy Trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised 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, a transfer is made to reflect these assets in the Restricted fixed asset fund.

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

Leasehold property	- 7 years straight line
Furniture and fixtures	- 7 years straight line

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

1.7 Operating leases

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

1.8 Debtors receivable and creditors payable within one year

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.

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.9 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.

1.10 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

1.12 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.13 Pensions

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

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

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

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

1.14 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.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in Note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

EAST LONDON SCIENCE SCHOOL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Capital grants	-	-	92,423	92,423	913,299
Total 2017	-	-	913,299	913,299	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £	Total funds 2017 £
Miscellaneous Income	8,706	-	8,706	6,332
Total 2017	6,332	-	6,332	

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	1,013	-	1,013	409
Total 2017	409	-	409	

EAST LONDON SCIENCE SCHOOL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General annual grant (GAG)	-	3,568,263	3,568,263	3,150,548
Pupil Premium	-	210,354	210,354	208,076
Other DfE/ESFA grants	-	670,311	670,311	546,447
Start up grants	-	75,000	75,000	126,000
	-	4,523,928	4,523,928	4,031,071
Other government grants				
SEN allocation	-	69,547	69,547	22,200
Other government grants	-	45,107	45,107	22,610
	-	114,654	114,654	44,810
Other income				
Catering and facilities hire	17,539	55,101	72,640	115,786
	17,539	55,101	72,640	115,786
	17,539	4,693,683	4,711,222	4,191,667
Total 2017	45,737	4,145,930	4,191,667	

There are no unfulfilled conditions or other contingencies attached to the government grants above.

6. ANALYSIS OF EXPENDITURE BY CHARITABLE ACTIVITIES

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational operations	3,502,718	2,187,430	5,690,148	4,469,913
Total 2017	2,793,137	1,676,776	4,469,913	

EAST LONDON SCIENCE SCHOOL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

7. EXPENDITURE

	Staff costs 2018 £	Premises costs 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Educational operations:					
Direct costs	3,125,069	-	377,649	3,502,718	2,793,137
Support costs	349,635	879,315	958,480	2,187,430	1,676,776
	<u>3,474,704</u>	<u>879,315</u>	<u>1,336,129</u>	<u>5,690,148</u>	<u>4,469,913</u>
Total 2017	<u>2,765,317</u>	<u>691,657</u>	<u>1,012,939</u>	<u>4,469,913</u>	

In 2017, of the total expenditure of £4,469,913, £90,904 was from unrestricted funds, £4,056,706 was from restricted general funds and £322,303 was from restricted fixed asset funds.

8. SUPPORT COSTS

	Educational operations £	Total 2018 £	Total 2017 £
Pension finance cost	3,000	3,000	2,000
Premises costs	879,315	879,315	691,657
Governance costs	29,475	29,475	25,810
Other support costs	349,288	349,288	271,227
Support staff costs	445,635	445,635	363,779
Depreciation	480,717	480,717	322,303
	<u>2,187,430</u>	<u>2,187,430</u>	<u>1,676,776</u>
Total 2017	<u>1,676,776</u>	<u>1,676,776</u>	

GOVERNANCE COSTS

	2018 £	2017 £
Auditor's remuneration - Audit of the financial statements	7,200	6,100
Auditor's remuneration - Other services	2,000	1,875
Legal and professional fees	20,042	16,702
Governors reimbursed expenses	233	1,333
Total	<u>29,475</u>	<u>25,010</u>

EAST LONDON SCIENCE SCHOOL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the Academy Trust	480,717	322,303
Auditor's remuneration - audit	7,200	6,800
Auditor's remuneration - other services	2,000	1,875
Operating lease rentals	24,045	15,803

EAST LONDON SCIENCE SCHOOL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	2,024,469	1,610,936
Social security costs	827,543	672,360
Operating costs of defined benefit pension schemes	619,692	480,021
	<u>3,471,704</u>	<u>2,763,317</u>
Defined benefit pension scheme finance cost	3,000	2,000
	<u>3,474,704</u>	<u>2,765,317</u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	43	34
Administration and support	35	24
	<u>78</u>	<u>58</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	2	0
In the band £90,001 - £100,000	0	1
In the band £100,001 - £110,000	1	0

d. Key management personnel

The Key Management Personnel of the Academy Trust comprise the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer national insurance contributions and employer pension contributions) received by Key Management Personnel for their services to the Academy Trust was £532,383 (2017 - £533,098).

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11. TRUSTEES' REMUNERATION AND EXPENSES

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

		2018 £	2017 £
D Perks, Head Teacher	Remuneration	105,000-110,000	95,000-100,000
	Pension contributions paid	15,000-20,000	15,000-20,000

During the year ended 31 August 2018, one Trustee received reimbursement of expenses amounting to £233 (2017 - £1,337 to 1 Trustee).

12. TRUSTEES' AND OFFICERS' INSURANCE

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative Insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, error 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.

13. PENSION FINANCE COST

	2018 £	2017 £
Interest income on pension scheme assets	4,000	1,000
Interest on pension scheme liabilities	(7,000)	(3,000)
	<u>(3,000)</u>	<u>(2,000)</u>

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14. TANGIBLE FIXED ASSETS

	Short-term leasehold property £	Furniture and fixtures £	Computer equipment £	Asset under construction £	Total £
Cost					
At 1 September 2017	421,525	285,142	628,385	773,469	2,108,521
Additions	43,964	9,548	22,331	-	75,843
Transfer between classes	773,469	-	-	(773,469)	-
At 31 August 2018	1,238,958	294,690	650,716	-	2,184,364
Depreciation					
At 1 September 2017	267,002	150,100	398,824	-	815,926
Charge for the year	309,270	42,047	129,400	-	480,717
At 31 August 2018	576,272	192,147	528,224	-	1,296,643
Net book value					
At 31 August 2018	662,686	102,543	122,492	-	887,721
At 31 August 2017	154,523	135,042	229,561	773,469	1,292,595

15. DEBTORS

	2018 £	2017 £
Due within one year		
Trade debtors	26,553	2,097
Other debtors	83,416	83,482
Prepayments and accrued income	121,369	70,623
	<u>231,338</u>	<u>156,202</u>

16. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	69,576	43,167
Other taxation and social security	112,410	89,288
Other creditors	630,230	237,700
Accruals and deferred income	103,664	41,631
	<u>915,880</u>	<u>411,786</u>

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16. CREDITORS: Amounts falling due within one year (continued)

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	41,631	-
Resources deferred during the year	89,096	41,631
Amounts released from previous years	(41,631)	-
Deferred income at 31 August 2018	<u>89,096</u>	<u>41,631</u>

At the Balance Sheet date the Academy Trust was holding funds received in advance for:

Restricted funding received from ESFA in relation to rental and rates payments made in advance.
Trip income received in advance.

17. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General funds	-	27,258	(126,023)	-	-	(98,765)
Other General funds	-	-	98,765	-	-	98,765
	<u>-</u>	<u>27,258</u>	<u>(27,258)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restricted general funds						
Restricted funds	153,229	4,693,683	(4,987,408)	16,580	-	(123,916)
Pension reserve	(140,000)	-	(96,000)	-	66,000	(170,000)
Other Restricted funds	-	-	(98,765)	-	-	(98,765)
	<u>13,229</u>	<u>4,693,683</u>	<u>(5,182,173)</u>	<u>16,580</u>	<u>66,000</u>	<u>(392,681)</u>
Restricted fixed asset funds						
Net book value of fixed assets	1,292,595	92,423	(480,717)	(16,580)	-	887,721
Total restricted funds	<u>1,305,824</u>	<u>4,786,106</u>	<u>(5,662,890)</u>	<u>-</u>	<u>66,000</u>	<u>495,040</u>
Total of funds	<u>1,305,824</u>	<u>4,813,364</u>	<u>(5,690,148)</u>	<u>-</u>	<u>66,000</u>	<u>495,040</u>

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. STATEMENT OF FUNDS (continued)

Restricted fixed asset fund - this represents the Academy Trust's investment in fixed assets, net of any depreciation. Any unspent capital grants are held in this fund to be applied for the purpose intended by the grantor.

Restricted funds will be used for educational purposes in line with the Academy Trust's objects and its funding agreement with the ESFA.

Unrestricted funds relate to donations and other income given without restriction to its purpose and can be used for the general purpose of the Academy Trust.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds	1,426	52,478	(90,904)	37,000	-	-
Restricted general funds						
Restricted funds	3,254	4,145,930	(3,968,706)	(27,249)	-	153,229
Pension reserve	(65,000)	-	(88,000)	-	13,000	(140,000)
Restricted fixed asset funds						
Net book value of fixed assets	711,350	-	(322,303)	903,548	-	1,292,595
Capital grants	-	913,299	-	(913,299)	-	-
Total restricted funds	649,604	5,059,229	(4,379,009)	(37,000)	13,000	1,305,824
Total of funds	651,030	5,111,707	(4,469,913)	-	13,000	1,305,824

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**NOTES TO THE FINANCIAL STATEMENTS
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18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	887,721	887,721
Current assets	-	693,199	-	693,199
Creditors due within one year	-	(915,880)	-	(915,880)
Defined benefit pension scheme liability	-	(170,000)	-	(170,000)
	-	(392,681)	887,721	495,040

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	1,292,595	1,292,595
Current assets	-	565,015	-	565,015
Creditors due within one year	-	(411,786)	-	(411,786)
Provisions for liabilities and charges	-	(140,000)	-	(140,000)
	-	13,229	1,292,595	1,305,824

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

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(876,784)	641,794
Adjustment for:		
Depreciation charges	480,717	322,303
Investment income	(1,013)	(409)
Loss on the sale of fixed assets	-	7,840
Increase in debtors	(75,136)	(60,003)
Increase in creditors	504,094	24,479
Capital grants from DfE and other capital income	(92,423)	(913,299)
Defined benefit pension scheme cost less contributions payable	93,000	86,000
Defined benefit pension scheme finance cost	3,000	2,000
Net cash provided by operating activities	35,455	110,705

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**NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

The Academy Trust's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	135,000	55,000
Gilts	8,000	4,000
Other bonds	22,000	9,000
Property	22,000	6,000
Cash and other liquid assets	16,000	17,000
Alternative assets	24,000	4,000
Total market value of assets	<u>227,000</u>	<u>95,000</u>

The actual return on scheme assets was £9,000 (2017 - £8,000).

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

	2018 £	2017 £
Current service cost	(185,000)	(113,000)
Interest income	4,000	1,000
Interest cost	(7,000)	(3,000)
Total	<u>(188,000)</u>	<u>(115,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	235,000	109,000
Current service cost	185,000	113,000
Interest cost	7,000	3,000
Employee contributions	34,000	17,000
Actuarial gains	(61,000)	(7,000)
Closing defined benefit obligation	<u>400,000</u>	<u>235,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	95,000	45,000
Actuarial losses	5,000	6,000
Employer contributions	92,000	27,000
Employee contributions	34,000	17,000
	<hr/>	<hr/>
Closing fair value of scheme assets	226,000	95,000
	<hr/>	<hr/>

22. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	24,045	15,803
Between 1 and 5 years	41,921	36,607
	<hr/>	<hr/>
Total	65,966	52,410
	<hr/>	<hr/>

23. MEMBERS' LIABILITY

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

24. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

