

LIFE EDUCATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017



LANDAU BAKER LIMITED
Chartered Accountants & Statutory Auditors
Mountcliff House
154 Brent Street
London
NW4 2DR

LIFE EDUCATION TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members

Mrs T Burrowes-Cromwell
Miss A Smart
Mr A Morgan
Mr I Wigston
Mr F Steel

Trustees

Mrs T Burrowes-Cromwell
Mr M Debens
Mr D Denchfield, Director of Primary
Mrs L Douglas
Mr J R Dutnall, CEO, Director of Secondary
Mrs S Malik
Miss A Smart
Mrs M Thompson (appointed 1 January 2017)
Mr C Seward (resigned 31 December 2016)

Local Governing Body Frances Bardsley

Mr J R Dutnall
Mr A Morgan
Father RSP Hingley, Chairman of Governors and Community Governor
Mr P A O'Kelly
Mrs A Hawkins
Mr M Debens
Mr R Bristow
Mr D White
Ms K Poluck
Mrs D Green
Mr P G Green

Local Governing Body Benhurst Primary

Mr F Steel, Chairman of Governors and Community Governor
Mr D Denchfield
Mr D Jefferys
Mrs A Krout (resigned 31 July 2017)
Mrs S McCarthy
Mrs B Mills
Mrs Y Fakyode
Miss A Gray
Mrs A Giles

Company registered number

08102628

Company name

Life Education Trust

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Principal and registered office

Brentwood Road, Romford, Essex, RM1 2RR

Senior management team

Frances Bardsley

Mr J R Dutnall,

Headteacher

Mrs J Payne, Senior Vice Principal

Mr D Turrell, Vice Principal

Mrs E Darabasz, Vice Principal

Mr W Menlove, Vice Principal

Mrs K Dennehy, Assistant Headteacher

Mrs D Broom, Business Manager

Benhurst Primary

Mr D Denchfield,

Headteacher

Mrs K Hart, Deputy Headteacher

Mrs K Garratty, Assistant Headteacher

Mrs K Lyons, Assistant Headteacher

Independent auditors

Landau Baker Limited, Mountcliff House, 154 Brent Street, London, NW4 2DR

Bankers

Lloyds Bank Plc, 21-25 Station Lane, Hornchurch, Essex, RM12 6JL

Solicitors

DWF LLP, Scott Place, 2 Hardman Street, Manchester, M3 3AA

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

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

The trust operates an academy for pupils aged 11 to 18 serving a catchment area in Havering. It has a pupil capacity of 1,340 and had a roll of 1,271 in the school census on 18th May 2017.

On 1st October 2016 a primary academy in Havering joined the Trust. The academy is for pupils aged 4 to 11 serving a catchment area in Havering. It has a pupil capacity of 420 and had a roll of 413 in the school census on 18th May 2017.

Structure, governance and management

a. Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association (dated 15 June 2016) are the primary governing documents of the academy trust. The trustees of LIFE Education Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as LIFE Education.

Details of the members and directors who served during the year are included in the Reference and Administrative Details on page 1.

The principal activity of the trust is to advance, for the public benefit, education in Havering and the surrounding area by maintained and operating of LIFE Education Trust for students in Havering East London.

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. Directors' Indemnities

Subject to the provisions of the Companies Act, director or other officer of the trust shall be indemnified out of the assets of the trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy.

d. Method of Recruitment and Appointment or Election of Directors and Members

The management of the Trust is the responsibility of the Directors who are elected and co-opted under the terms of the Articles of Association and funding agreement as follows:

- Two directors appointed by members
- The CEO/Director Secondary
- Director of Primary
- Unlimited co-opted trustees, appointed by the directors

The term of office for any director is 4 years. The CEO's term of office runs parallel with his term of appointment. Subject to remaining eligible to be a particular type of director, any director may be reappointed.

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

e. Policies and Procedures Adopted for the Induction and Training of Trustees

During the period under review, the local governing body of Frances Bardsley held 9 full meetings and the local governing body of Benhurst held 3 full meetings. Life Education Trust meeting held 6 board meetings. In addition there were regular meetings covering finance and facilities, pay and personnel and curriculum standards. The training and induction provided for new directors will depend on their experience. Where necessary an induction will provide training on charity and educational, legal and financial matters. All new directors are given a tour of the academy and the chance to meet with staff and students. All directors are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as trustees and directors of the academy.

f. Organisational Structure

The trust has established a management structure to enable its efficient running. The structure consists of three levels: the directors, governors and the senior leadership team.

The Board of Directors has considered its role thoughtfully and decided that the role of the Board is to approve the strategic direction and objectives of the academy and monitor its progress towards these objectives.

The Board has approved a scheme of delegation which sets out a statement on the system of internal control and responsibilities. The CEO is directly responsible for the day to day running of the Trust and is assisted by a senior leadership team.

Directors are responsible for setting general policy, adopting a strategic plan and budget, monitoring the Trust by use of budgets and making major decisions about the direction of the Trust, including capital expenditure, CEO appointments and staff pay.

The CEO is the accounting officer.

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

The pay of all key personnel is reviewed by the Trust's Pay and Personnel which meets termly. Decisions are then ratified by the Trust Board. All decisions are in accordance with the Trust's Pay Policy

h. Related Parties and other Connected Charities and Organisations

The Frances Bardsley Academy for Girls is the founding member of the LIFE Education Trust. Benhurst Primary School became a member of the Trust on 1st October 2016. The Trust undertakes educational support activities.

Objectives and Activities

a. Objects and Aims

The principal object and activity of the Trust for 2016/17 is the operation LIFE Education Trust to provide a broad and balanced education for pupils of all abilities in the Havering area. The directors have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the academy.

In accordance with the articles of association, the academy has adopted a "Scheme of Government" approved by the Secretary of State for Education.

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

b. Objectives, Strategies and Activities

The Trust has undertaken self-evaluation activities to correctly identify objectives for the next year. These objectives are:

- To develop more effective relationships between all stakeholders to positively impact on the ethos of the Trust and behavior of pupils within the Trust.
 - To develop our approach to creativity & engagement so that this positively impacts on the quality of teaching and learning in the school.
 - To strengthen our accountability structure through a review of the effectiveness of leadership and management. It will achieve this through developing a more effective appraisal framework.
 - To achieve consistently high standards of teaching and learning
 - To provide local leadership capacity and support
 - To develop cost effective curriculum design and collaboration which optimises opportunities for pupils and students and provides added value progress for them
 - The Trust's ethos is encompassed in the Trust's Principles of Learning from the Past, Living in the Present and Looking to the Future.
 - These are explained in the following statements
- o **Learning from the Past**
 - o We recognise and celebrate the traditions of our families, cultures, schools, locality and all religions whilst holding broadly Christian values and British values. This principle will be evident in our school customs (House system, Team points, key school anniversaries, student achievements etc.). Values will be taught explicitly and implicitly in a range of ways (assemblies, PSHCEE/PSHE lessons, Circle Time, visiting speakers etc.).
 - **Living in the Present**
 - o We see the importance of becoming self-aware, of the need to recognise the opportunities and dangers of the current time including issues raised by the internet and social media and the dangers of extremism. All those in our communities will be taught to care for others, to work hard, to remain positive and to enjoy the present. This principle will be evident in a sense of engagement and involvement in our learning and in a range of activities and extra-curricular experiences, a growing appreciation for our own and others' strengths and weaknesses and learning, charity and international work.
 - **Looking to the Future**
 - o We will all seek to identify what we want to achieve in life, to plan for our future, considering future possibilities, adding value to society, developing life skills and an awareness of future education opportunities and the world of work. This principle will be evident in rich careers provision, Work Experience, visiting speakers from different sectors, student conferences and the embedding of positive thinking.
 - **Each school is also expected to become :**
 - o **An efficient school:** A financially and structurally viable organisation
 - o **An effective school:** Providing expert, vibrant and exciting teaching; focusing relentlessly on the learning and achievement of children and young people and challenging and supporting students to make progress and reach their potential.
 - o **An enriching school:** Providing an imaginative, engaging and flexible curriculum offering a wide range of challenging, enjoyable and relevant experiences inside and outside the classroom; Helping children and young people develop an appreciation of diversity and understanding the rights and responsibilities of

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

a global community.

- o **An enabling school:** Motivating and supporting children and young people to develop our characteristics to become confident, resilient and autonomous learners; to engage with parents in supporting their children's progress and wellbeing and to make the effective transition to the next stage of their learning.

The Trust strategy is set out in the strategic development plan. This plan highlights the need for:-

- **Achievement:** Optimise achievement and attainment for all students in the MAT
- **Ethos:** Ensure all schools understand and can demonstrate a shared ethos whilst holding to their own identity and values
- **Efficiency:** Increase the size of the MAT and embed our structures to secure economies of scale and effective collaboration
- **Collaboration:** Ensure effective collaboration between schools within the MAT and with other providers
- **Preparation:** Ensure all students are fully prepared for their future life
- **Improvement:** Create an effective school improvement system
- **Learning:** Ensure high quality teaching and learning

The main activities for achieving objectives the Trust will undertake will be:

- Greater collaboration with local schools
- Raising standards through use of Lead Practitioners
- The accountability of the Trust will be strengthened by the development of new policies and procedures and implementation of a new self-evaluation framework.

c. Public Benefit

In setting the objectives, the directors 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.

As a Trust we make the best use of our skills, expertise and experience with regards to the community. Some examples of this are:

- o Raising money for local, national and international charities.
- o Contribution to services and events in the local community particularly through drama and music
- o 6th form Contribution to a local Autism Charity.
- o Sports Leader programmes that provide sporting activities to local Primary Schools.
- o Opening the School Farm to local primary schools
- o Provision of an art gallery which is open to the public
- o Collaboration with local schools
- o All staff focus relentlessly on the progress pupils are making
- o Teachers plan stimulating lessons
- o Staff have found creative ways to reach out to all pupils
- o The farm is an oasis of encouragements and support of all pupils

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

Strategic report

Achievements and performance

Key Performance Indicators

Benhurst Primary School SATs results for 2016/17

| | Y6 Age Related Expectations (SATs) | | | Y6 Greater Breadth & Depth (SATs) | | | Y6 Progress (SATs) | |
|----------------|------------------------------------|------|-----------------------|-----------------------------------|------|-----------------------|--------------------|------------------|
| | 2016 | 2017 | 2017 National Average | 2016 | 2017 | 2017 National Average | 2017 Expected | 2017 Accelerated |
| Reading | 72 | 87 | 71 | 14 | 30 | 19 | 96 | 38 |
| Writing | 88 | 97 | 76 | 18 | 22 | 15 | 100 | 32 |
| Maths | 74 | 88 | 75 | 26 | 43 | 17 | 98 | 38 |
| SPaG | 72 | 93 | 77 | 21 | 43 | 22 | n/a | n/a |
| Comb | 65 | 83 | 61 | 5 | 12 | 5 | n/a | n/a |

The results in Frances Bardsley's GCSE exams at KS4 were as follows:

| | 2015 | | | 2016 | | | 2017 | | |
|---------------------------------|--------|--------|------|--------|--------|------|--------|--------|------|
| | Target | Actual | Diff | Target | Actual | Diff | Target | Actual | Diff |
| Expected Progress KS2-4 English | 75 | 56 | -19 | 70 | 72 | 2 | 75 | 76 | 1 |
| Expected Progress KS2-4 Maths | 75 | 74 | -1 | 75 | 74 | -1 | 75 | 58 | -17 |
| 5+ A*-C inc Eng & Maths | 72 | 60 | -12 | 65 | 66 | 1 | 70 | 70 | 0 |
| Cohort | 218 | 218 | 0 | 219 | 219 | 0 | 214 | 214 | 0 |

School Absence Data Frances Bardsley
School Level Absence and Exclusions – 3 Year Trend

| | 2015 | | | 2016 | | | 2017 | | |
|--|--------|--------------------------------|---|--------|--------------------------------|---|--------|--------------------------------|---|
| | School | National for secondary schools | Median trendline for school's FSM level | School | National for secondary schools | Median trendline for school's FSM level | School | National for secondary schools | Median trendline for school's FSM level |
| % Persistent absentees – absent for 15% or more sessions | 4.1 | 5.6 | 5.0 | - | - | - | - | - | - |
| % Persistent absentees – absent for 10% or more sessions | - | - | - | 10.2 | 12.4 | 5.0 | 11.8 | Not available | Not available |
| % of sessions missed due to Overall Absence | 4.9 | 5.2 | 5.0 | 4.6 | 5.0 | 5.0 | 4.7 | Not available | Not available |

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School Absence Data Frances Bardsley

| | 2016/17 |
|--------------|----------------|
| Authorised | 4.7% |
| Unauthorised | 0.8% |

School Absence Data Benhurst Primary
School Level Absence and Exclusions – 3 Year Trend

| | 2014 | | 2015 | | 2016 | |
|--|-------------|------------------------------|-------------|------------------------------|-------------|------------------------------|
| Absence | School | National for Primary Schools | School | National for Primary Schools | School | National for Primary Schools |
| % Persistent absentees – absent for 15% or more sessions | 1.6 | n/a | 3.8 | n/a | 2.6 | n/a |
| % Persistent absentees – absent for 10% or more sessions | 7.7 | 8.8 | 8.3 | 9.2 | 9.6 | 8.8 |
| % of sessions missed due to Overall Absence | 4.4 | 3.9 | 4.4 | 4.0 | 4.5 | 3.9 |

School Absence Data Benhurst Primary

| | 2016/17 |
|--------------|----------------|
| Authorised | 3.6% |
| Unauthorised | 0.9% |
| Total | |

Ofsted

The Ofsted report of January 2016 confirmed that the Frances Bardsley Academy for Girls school remains a 'Good School'. In particular the academic progress of pupils continues to be good. The report notes that:-

- o Teachers plan stimulating lessons
- o All staff focus relentlessly on the progress pupils are making
- o The school has found creative ways to reach out to all pupils
- o The farm is an oasis of happiness, encouragement and support of all pupils

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 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 Accounting Policies.

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Financial Review

During the period, ESFA/LA grants received totalled to £8,796,309 (2016: £6,962,092). Other income included within restricted funds totalled to £220,155 (2016: £134,938). Restricted fund expenditure totalled to £9,253,118 (2016: £7,039,451).

The main source of unrestricted income is from parents for School trips and lettings totalling £289,846.

Most of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the 12 month period ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of financial activities.

The Trust 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.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Trust. It should be noted that this does not present the Trust 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, although this may not be achieved until stock market investment values start to recover.

Overall, the Trust has a healthy balance sheet and cash flow and will be using the reserves to maintain the current assets and also to invest back into the school in the form of additional resources and facilities both in the long term and short term in conjunction with the school development plan and school aims. Also the increase of the PAN and the increased revenue from lettings will ensure future financial viability

Reserves Policy

The definition of reserves in the SORP is 'that part of a charity's income funds that is freely available for its general purposes'. This definition of reserves therefore normally excludes:

- o permanent endowment funds
- o expendable endowment funds
- o restricted income funds
- o any part of unrestricted funds not readily available for spending, specifically income funds which could only be realised by disposing of fixed assets held for charitable use

'Reserves' are therefore the resources the Trust has or can make available to spend for any or all of the Trust's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'reserves' are income which becomes available to the Academy and is to be spent at the trustees' discretion in furtherance of any of the Trust's objects (sometimes referred to as 'general purpose' income) but which is not yet spent, committed or designated (i.e. is 'free').

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The governors will keep this level of reserves under review at each Board meeting and aim to build and maintain the reserves level by entering into cost effective agreements as noted in Objectives and Activities above, whilst in keeping with the principal object of the Trust.

Total reserves at the end of the period amounted to £1,084,784 (2016: £1,008,197). This balance includes unrestricted funds (free reserves) of £16,613 (2016: £19,897), which is considered appropriate for the Trust,

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and restricted funds of £1,061,876 (2016: £988,300).

The amount of designations made in relation to the unrestricted reserves totals to £NIL (2016: £NIL).

Restricted funds have been designated by the Governing Body as follows:

- o £80,000 – extension of pupil canteen (additional funding was obtained from LA)
- o £24,500 – Settlement payments to employees

Within the reserves policy users should note that, because of accounting for the Local Government Pension Scheme (LGPS), the Trust recognises a significant pension fund deficit totaling to £1,842,000 (2016: £2,164,000). This deficit is included within restricted funds. This does not lead to an immediate liability for this amount. Similarly, if there were a pension surplus included in the restricted fund this would not create an immediately realisable asset that can be released straight away and expended for the specific purposes of that fund.

Users should also note that a surplus or deficit position of the pension scheme would generally result in a cash flow effect for the Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Trust thus takes this fact into account when reviewing current business plans and budgets, ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Trust due to the recognition of the deficit.

The Directors through the Local Governing Body and Head Teacher receive financial progress reports throughout the year and compare against budgets submitted to the Education Funding Agency

Investment Policy

It should be noted that the Trust has substantial power with regards to investments due to cash balances held. Investment policies are determined at Trust level. This ensures the level of funds the Academy holds can cover any immediate expenditure, without exposing them to additional risk. Should any potential investment opportunity arise this would be escalated to the Board for consideration. The most typical investments that are held by academies are the Special Interest Deposit accounts which are immediately available to draw against. At 31 August 2017, two Special Interest Deposit accounts were held totaling £406,819

Principal Risks and Uncertainties

The Companies Act 2006 s417 (3b) requires disclosure of the principal risks and uncertainties facing a company. The Trust is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Trust's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The Trust's system of internal controls ensures risk is minimal in these areas.

A risk register has been created and discussed with governors at a conference in January 2016 which is then regularly reviewed. Where appropriate, systems or procedures have been established to mitigate the risks the Trust faces. Internal control risks are minimised by the implementation of procedures for control and authorisation of all transactions and projects.

The directors have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances. The governors have implemented a number of systems to assess risks that the Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

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

It should also be noted that procedures are in place to ensure compliance with health and safety of staff and pupils.

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme, in which there was a surplus at 31 August 2017.

Plans for Future Periods.

The LIFE Education Trust intends to increase the number of Academies within its Multi-Academy Trust. This is in line with the original five-year business model that was set out to deliver a sustainable model of educational improvement.

As the trust expands, the leadership and management structures will be reviewed

The Trust is establishing a centralised procurement strategy to realise cost savings and increased effectiveness across the Trust.

The Trust has an ongoing programme of repairs and maintenance and a prioritised improvement plan, for which we will be applying for capital grants from the Department of Education, EFA and CIF. Over the coming year priority will be given to Condition Improvement Plans.

Funds Held as Custodian Trustee on Behalf of Others

The Trust and its trustees did not act as custodian trustee during the current or previous period.

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 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 28 November 2017 and signed on its behalf by:


Miss A Smart
Trustee

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to each CEO, 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 Life Education 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 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Life Education Trust Board

| Trustee | Meetings attended | Out of a possible |
|--|-------------------|-------------------|
| Mrs T Burrowes-Cromwell | 5 | 6 |
| Mr D Denchfield, Director of Primary | 6 | 6 |
| Mrs L Douglas | 6 | 6 |
| Mr J R Dutnall, CEO, Director of Secondary | 6 | 6 |
| Mrs S Malik | 3 | 6 |
| Miss A Smart | 6 | 6 |
| Mrs M Thompson | 3 | 6 |
| Mr C Seward | 1 | 6 |

Local Governing Body Frances Bardsley

| | | |
|--|---|---|
| Father RSP Hingley, Chairman of Governors and Community Governor | 9 | 9 |
| Mr A Morgan | 9 | 9 |
| Mr R Bristow | 6 | 9 |
| Mrs D Green | 7 | 9 |
| Mrs A Hawkins | 7 | 9 |
| Mr D White | 4 | 9 |
| Mr M Debens | 9 | 9 |
| Mr P G Green | 4 | 9 |
| Mr P A O'Kelly | 7 | 9 |
| Ms K Poluck | 7 | 9 |
| Mr J R Dutnall | 9 | 9 |

Local Governing Body Benhurst Primary

| | | |
|----------------------------------|---|---|
| Mr F Steel | 3 | 3 |
| Mr D Denchfield | 3 | 3 |
| Mr D Jefferys | 1 | 3 |
| Mrs A Krout (resigned July 2017) | 3 | 3 |
| Mrs S McCarthy | 3 | 3 |
| Mrs B Mills | 2 | 3 |
| Mrs Y Fakyode | 3 | 3 |
| Miss A Gray | 3 | 3 |
| Mrs A Giles | 2 | 3 |

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GOVERNANCE STATEMENT (continued)

Both the Frances Bardsley Academy Local Governing Body and Benhurst Primary Local Governing Body are committees which the Board has established. The Board of Directors is held accountable by the Members of the Trust. The Board members are recruited on the basis of their skills.

The impact of the Local Governing Body Committee is reviewed and monitored through reports from the Chairs of these committees to the Board of Trustees and through distributing copies of minutes. Governors have undertaken a self-assessment in respect of skills and there has been an external review of the functions of the local governing body followed by an action plan for further improvement.

Key findings noted, actions taken and their impact are noted below:

- o The results of the skills audit will be used to inform future recruitment of new governors
- o The Board reviews its strategy at an annual conference
- o A Business continuity plan is in place
- o A comprehensive risk register is in place bringing together all aspects of the risk assessment undertaken
- o There were no other significant issues identified

The Members and Directors have ensured a broad and thorough knowledge of all key areas exists at Board level. This has been accepted by the DFE when the Trust converted to MAT status on 6th June 2016.

The Finance and Facilities committee operates as a sub-committee of the main board of trustees. Its purpose is:

- monitoring the integrity of the financial statements
- reviewing internal financial controls and reviewing the Academy's internal control and risk management systems;
- making recommendations to the Governing Body in relation to the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the auditor;
- reviewing the auditor's independence and objectivity;

No significant issues to note were dealt with during the year.

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the CEO 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:

- o Increasing the PAN to increase income by approximately £72,000 pa with no additional costs
- o Employing cover supervisors to reduce the use of agency supply staff
- o Reviewing the courses offered in the 6th form and discontinuing those that do not offer value for money
- o Reviewing the application of Pupil Premium funding and developing an action plan for focused application of funds and tracking of impact on students
- o Reducing the number of learning assistants used in the school
- o Reducing the size of the teaching and learning responsibility (TLR) structure

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not-absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Life Education Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial

LIFE EDUCATION TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

statements.

CAPACITY TO HANDLE RISK

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

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 Local Governing Body 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 RO's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a termly basis, the RO reports to the Local Governing Body on the operation of the systems of control and on the discharge of the Local Governing Body's financial responsibilities as delegated by the Trust Board

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However for 2016-17 the trustees appointed, the bursar for Norwich School, to carry out a programme of internal checks

The Responsible Officer role includes giving advice on financial matters and performing a range of checks on the Trust'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 termly basis, the Responsible Officer provided a report to the Board of Trustees, through the Finance and Facilities Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The Board can confirm that the Responsible Officer delivered their schedule of work as planned for two terms, 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. The third term review did not take place due to the personal situation of the Responsible Officer.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the CEO 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 external auditors and Responsible Officer;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and

LIFE EDUCATION TRUST
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GOVERNANCE STATEMENT (continued)

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 and Facilities and Pay and Personnel Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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



Miss A Smart
Trustee



Mr J R Dutnall
Accounting Officer

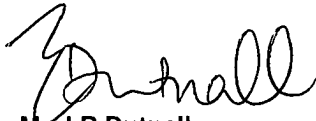
LIFE EDUCATION TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



Mr J R Dutnall
Accounting Officer

Date: 28 November 2017

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



Miss A Smart
Trustee

LIFE EDUCATION TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LIFE EDUCATION TRUST

OPINION

We have audited the financial statements of Life Education Trust (the 'academy') for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state 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.

In our opinion the financial statements:

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

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. 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

LIFE EDUCATION TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LIFE EDUCATION TRUST

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 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' remunerations specified by law 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 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.

LIFE EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LIFE
EDUCATION TRUST**

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.

Michael Durst (Senior statutory auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR
28 November 2017

LIFE EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO LIFE
EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 15 April 2013 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Life Education Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Life Education Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Life Education 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 Life Education Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF LIFE EDUCATION TRUST'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Life Education Trust's funding agreement with the Secretary of State for Education dated 1 July 2013, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review and verification of evidence supporting the Accounting Officer's statement on regularity, propriety and compliance.
- Review of the Academy Trust's internal control procedures, specifically in respect to regularity, propriety and compliance.
- Focussed testing, driven by our audit of the financial statements, principally checking that:
 - o Grant income received has been expensed on prescribed expenditure; and
 - o Expenditure has been appropriately authorised in accordance with the procedures outlined in the Academy Trust's financial procedures manual.
- Discussions and written representations from the Accounting Officer and other key management personnel (where applicable).

LIFE EDUCATION TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO LIFE
EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

CONCLUSION

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

Reporting Accountant

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

28 November 2017

LIFE EDUCATION TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

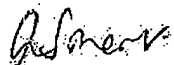
| | Note | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|--|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| INCOME FROM: | | | | | | |
| Donations and capital grants | 2 | - | (271,770) | 7,158,761 | 6,886,991 | 26,596 |
| Charitable activities | 3 | - | 9,016,464 | - | 9,016,464 | 7,097,030 |
| Other trading activities | 4 | 289,846 | - | - | 289,846 | 167,051 |
| Investments | 5 | 616 | - | - | 616 | - |
| TOTAL INCOME | | 290,462 | 8,744,694 | 7,158,761 | 16,193,917 | 7,290,677 |
| EXPENDITURE ON: | | | | | | |
| Charitable activities | | 293,746 | 9,253,118 | 517,784 | 10,064,648 | 7,682,743 |
| TOTAL EXPENDITURE | 6 | 293,746 | 9,253,118 | 517,784 | 10,064,648 | 7,682,743 |
| NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES | | | | | | |
| | | (3,284) | (508,424) | 6,640,977 | 6,129,269 | (392,066) |
| Actuarial gains/(losses) on defined benefit pension schemes | 25 | - | 904,000 | - | 904,000 | (1,089,000) |
| NET MOVEMENT IN FUNDS | | (3,284) | 395,576 | 6,640,977 | 7,033,269 | (1,481,066) |
| RECONCILIATION OF FUNDS: | | | | | | |
| Total funds brought forward | | 19,897 | (1,175,700) | 21,715,766 | 20,559,963 | 22,041,029 |
| TOTAL FUNDS CARRIED FORWARD | | 16,613 | (780,124) | 28,356,743 | 27,593,232 | 20,559,963 |

LIFE EDUCATION TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08102628

BALANCE SHEET
AS AT 31 AUGUST 2017

| | Note | £ | 2017 £ | £ | 2016 £ |
|--|------|--------------------|--------------------------|--------------------|--------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 16 | | 28,280,620 | | 21,715,766 |
| CURRENT ASSETS | | | | | |
| Stocks | 17 | 4,319 | | 4,319 | |
| Debtors | 18 | 225,821 | | 167,615 | |
| Cash at bank and in hand | | 1,318,994 | | 1,122,693 | |
| | | <u>1,549,134</u> | | <u>1,294,627</u> | |
| CREDITORS: amounts falling due within one year | 19 | (394,522) | | (286,430) | |
| NET CURRENT ASSETS | | | <u>1,154,612</u> | | <u>1,008,197</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>29,435,232</u> | | <u>22,723,963</u> |
| Defined benefit pension scheme liability | 25 | | (1,842,000) | | (2,164,000) |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITIES | | | <u><u>27,593,232</u></u> | | <u><u>20,559,963</u></u> |
| FUNDS OF THE ACADEMY | | | | | |
| Restricted income funds: | | | | | |
| Restricted income funds | 20 | 1,061,876 | | 988,300 | |
| Restricted fixed asset funds | 20 | 28,356,743 | | 21,715,766 | |
| Restricted income funds excluding pension liability | | <u>29,418,619</u> | | <u>22,704,066</u> | |
| Pension reserve | | <u>(1,842,000)</u> | | <u>(2,164,000)</u> | |
| Total restricted income funds | | | <u>27,576,619</u> | | <u>20,540,066</u> |
| Unrestricted income funds | 20 | | <u>16,613</u> | | <u>19,897</u> |
| TOTAL FUNDS | | | <u><u>27,593,232</u></u> | | <u><u>20,559,963</u></u> |

The financial statements on pages 23 to 46 were approved by the Trustees, and authorised for issue, on 28 November 2017 and are signed on their behalf, by:



Miss A Smart
Trustee

LIFE EDUCATION TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

| | Note | 2017 £ | 2016 £ |
|--|------|-----------|-----------|
| Cash flows from operating activities | | | |
| Net cash provided by/(used in) operating activities | 22 | 329,286 | (4,118) |
| Cash flows from investing activities: | | | |
| Purchase of tangible fixed assets | | (455,196) | (559,802) |
| Capital grants from DfE/ESFA | | 322,211 | 26,596 |
| Net cash used in investing activities | | (132,985) | (533,206) |
| Change in cash and cash equivalents in the year | | 196,301 | (537,324) |
| Cash and cash equivalents brought forward | | 1,122,693 | 1,660,017 |
| Cash and cash equivalents carried forward | 23 | 1,318,994 | 1,122,693 |

LIFE EDUCATION TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

Life Education Trust constitutes a public benefit entity as defined by 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 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.

1.3 Income

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account 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.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

LIFE EDUCATION TRUST
(A company limited by guarantee)

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

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.

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

All expenditure is inclusive of irrecoverable VAT.

1.5 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 incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

| | | |
|------------------------------|---|-------------------------|
| Freehold property | - | 2% straight line basis |
| Long-term leasehold property | - | 5% straight line basis |
| Fixtures and fittings | - | 20% straight line basis |
| Computer equipment | - | 33% 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 incorporating income and expenditure account.

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

LIFE EDUCATION TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.7 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.

1.8 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.

1.9 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 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.

1.10 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 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 18. 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 costs as detailed in note 19. 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. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.11 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

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

1. ACCOUNTING POLICIES (continued)

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.13 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Benhurst Primary School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 24.

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**NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.14 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 Department for Education where the asset acquired or created is held for a specific purpose.

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

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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 August 2017 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Capital Grants | - | - | 322,211 | 322,211 | 26,596 |
| Assets transferred from local authority on conversion | - | (271,770) | 6,836,550 | 6,564,780 | - |
| | - | (271,770) | 7,158,761 | 6,886,991 | 26,596 |
| <i>Total 2016</i> | - | - | 26,596 | 26,596 | |

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

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

Life Education Trust

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|--------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| DfE/ESFA grants | | | | |
| General Annual Grant | - | 7,871,337 | 7,871,337 | 6,628,812 |
| Pupil Premium | - | 292,865 | 292,865 | 223,551 |
| Start Up Grants | - | 25,000 | 25,000 | - |
| Other DfE/ESFA Grants | - | 80,976 | 80,976 | 85,378 |
| | - | 8,270,178 | 8,270,178 | 6,937,741 |
| Other government grants | | | | |
| Other Government Grants | - | 65,352 | 65,352 | 12,451 |
| Local Authority Grants | - | 460,779 | 460,779 | 11,900 |
| | - | 526,131 | 526,131 | 24,351 |
| Other funding | | | | |
| Lettings Income | - | 95,657 | 95,657 | 47,555 |
| Music Income | - | 23,027 | 23,027 | 21,765 |
| Income From Other School | - | - | - | 4,825 |
| Other Income | - | 98,670 | 98,670 | 55,208 |
| Exam Fee Income | - | 2,801 | 2,801 | 5,585 |
| | - | 220,155 | 220,155 | 134,938 |
| | - | 9,016,464 | 9,016,464 | 7,097,030 |
| Total 2016 | - | 7,097,030 | 7,097,030 | |

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

4. OTHER TRADING ACTIVITIES

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|-----------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Trips Income | 222,049 | - | 222,049 | 151,003 |
| General Income | 51,689 | - | 51,689 | 24,280 |
| Charity Income | 1,970 | - | 1,970 | 2,888 |
| Music Fund Income | 2,186 | - | 2,186 | - |
| Facility Income | 11,631 | - | 11,631 | 14,797 |
| Scholarship Account | - | - | - | (26,002) |
| Parental Contribution | 96 | - | 96 | - |
| Bank Interest | 225 | - | 225 | 85 |
| | <u>289,846</u> | <u>-</u> | <u>289,846</u> | <u>167,051</u> |
| <i>Total 2016</i> | <u>167,051</u> | <u>-</u> | <u>167,051</u> | |

5. INVESTMENT INCOME

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|-------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Investment income | <u>616</u> | <u>-</u> | <u>616</u> | <u>-</u> |

6. EXPENDITURE

| | Staff costs 2017 £ | Premises 2017 £ | Other costs 2017 £ | Total 2017 £ | Total 2016 £ |
|-------------------------|--------------------------|-----------------------|--------------------------|--------------------|--------------------|
| Educational activities: | | | | | |
| Direct costs | 5,958,389 | - | 873,932 | 6,832,321 | 5,520,817 |
| Support costs | 1,802,928 | 270,846 | 1,158,553 | 3,232,327 | 2,161,926 |
| | <u>7,761,317</u> | <u>270,846</u> | <u>2,032,485</u> | <u>10,064,648</u> | <u>7,682,743</u> |
| <i>Total 2016</i> | <u>5,999,801</u> | <u>261,620</u> | <u>1,421,322</u> | <u>7,682,743</u> | |

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

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

| | Activities undertaken directly 2017 £ | Support costs 2017 £ | Total 2017 £ | Total 2016 £ |
|------------------------|---|-------------------------------|--------------------|--------------------|
| Educational activities | 6,832,321 | 3,232,327 | 10,064,648 | 7,682,743 |
| <i>Total 2016</i> | <i>5,520,817</i> | <i>2,161,926</i> | <i>7,682,743</i> | |

8. DIRECT COSTS

| | Educational activities £ | Total 2017 £ | Total 2016 £ |
|--------------------------|--------------------------------|--------------------|--------------------|
| Educational Supplies | 302,506 | 302,506 | 210,675 |
| ICT | 115,331 | 115,331 | 81,250 |
| Exam Fees | 99,295 | 99,295 | 111,101 |
| Agency Supply Staff | 334,091 | 334,091 | 102,273 |
| Maintenance | 123,616 | 123,616 | 58,525 |
| Staff Development | 38,656 | 38,656 | 27,030 |
| Advertising | 35,346 | 35,346 | 34,201 |
| Music Tuition | 35,643 | 35,643 | 25,161 |
| Admin Supplies | 39,226 | 39,226 | 17,388 |
| Other Student Expenses | 84,313 | 84,313 | 50,019 |
| Compensation payments | 24,500 | 24,500 | 139,776 |
| Wages and salaries | 4,225,299 | 4,225,299 | 3,739,558 |
| National insurance | 620,432 | 620,432 | 347,263 |
| Pension cost | 754,067 | 754,067 | 576,597 |
| | 6,832,321 | 6,832,321 | 5,520,817 |
| <i>At 31 August 2016</i> | <i>5,520,817</i> | <i>5,520,817</i> | |

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**NOTES TO THE FINANCIAL STATEMENTS
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9. SUPPORT COSTS

| | Educational activities £ | Total 2017 £ | Total 2016 £ |
|--------------------------|--------------------------------|--------------------|--------------------|
| Pension finance costs | 51,000 | 51,000 | 38,000 |
| Educational Supplies | 46,047 | 46,047 | 26,605 |
| Cleaning | 33,680 | 33,680 | 34,638 |
| Catering | 94,939 | 94,939 | 36,269 |
| Maintenance | 26,314 | 26,314 | 19,152 |
| Insurance | 49,177 | 49,177 | 37,312 |
| Utility | 102,599 | 102,599 | 89,344 |
| Water & Rates | 62,910 | 62,910 | 59,961 |
| Professional Fees | 86,932 | 86,932 | 46,412 |
| Governance Costs | 6,780 | 6,780 | 8,240 |
| Admin Supplies | 49,338 | 49,338 | 29,863 |
| General Expenses | 52,095 | 52,095 | 32,192 |
| Other Student Expenses | 32,852 | 32,852 | 36,690 |
| School Trips | 216,952 | 216,952 | 155,163 |
| Wages and salaries | 1,227,455 | 1,227,455 | 850,219 |
| National insurance | 115,507 | 115,507 | 50,980 |
| Pension cost | 459,966 | 459,966 | 193,135 |
| Depreciation | 517,784 | 517,784 | 417,751 |
| | <u>3,232,327</u> | <u>3,232,327</u> | <u>2,161,926</u> |
| <i>At 31 August 2016</i> | <u>2,161,926</u> | <u>2,161,926</u> | |

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

| | 2017 £ | 2016 £ |
|---|----------------|----------------|
| Depreciation of tangible fixed assets: | | |
| - owned by the charity | 517,784 | 417,751 |
| Auditors' remuneration - audit | 4,000 | 4,000 |
| Auditors' remuneration - other services | 2,780 | 4,240 |
| | <u>524,564</u> | <u>426,000</u> |

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

11. STAFF COSTS

Staff costs were as follows:

| | 2017 £ | 2016 £ |
|--|-------------------------|-------------------------|
| Wages and salaries | 5,452,754 | 4,589,777 |
| Social security costs | 735,939 | 398,243 |
| Operating costs of defined benefit pension schemes | 1,214,033 | 769,732 |
| | <u>7,402,726</u> | <u>5,757,752</u> |
| Supply teacher costs | 334,091 | 102,273 |
| Compensation payments | 24,500 | 139,776 |
| | <u><u>7,761,317</u></u> | <u><u>5,999,801</u></u> |

Staff restructuring costs comprise:

| | 2017 £ | 2016 £ |
|--------------------|---------------|----------------|
| Severance payments | <u>24,500</u> | <u>139,776</u> |

Included in staff compensation payments of £24,500, there are non contractual severance payments totalling £24,500 (2016: £139,776). The payments made in the year were £6,500 and £18,000.

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

| | 2017 No. | 2016 No. |
|----------------|-------------|-------------|
| Administration | 72 | 46 |
| Teachers | 86 | 73 |
| Management | 11 | 6 |
| | <u>169</u> | <u>125</u> |

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

| | 2017 No. | 2016 No. |
|---------------------------------|-------------|-------------|
| In the band £60,001 - £70,000 | 9 | 7 |
| In the band £70,001 - £80,000 | 2 | 1 |
| In the band £80,001 - £90,000 | 0 | 1 |
| In the band £90,001 - £100,000 | 1 | 0 |
| In the band £100,001 - £200,000 | 1 | 1 |

The key management personnel of the academy trust comprises the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £848,439 (2016: £524,272).

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

12. CENTRAL SERVICES

No central services were provided by the academy to its academies during the year and no central charges arose.

13. RELATED PARTY TRANSACTIONS- TRUSTEE'S REMUNERATION AND EXPENSES

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

| | | 2017 £ | 2016 £ |
|-----------------|----------------------------|----------------|-----------------|
| Mr J R Dutnall | Remuneration | 95,000-100,000 | 105,000-110,000 |
| | Pension contributions paid | 15,000-20,000 | 15,000-20,000 |
| Mr D Denchfield | Remuneration | 65,000-70,000 | |
| | Pension contributions paid | 5,000-10,000 | |

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £NIL).

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £604 (2016 - £1,039).

15. PENSION FINANCE CHARGES

| | 2017 £ | 2016 £ |
|--|-----------------|-----------------|
| Interest income on pension scheme assets | 81,000 | 117,000 |
| Interest on pension scheme liabilities | (132,000) | (155,000) |
| | <u>(51,000)</u> | <u>(38,000)</u> |

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

16. TANGIBLE FIXED ASSETS

| | Freehold property £ | Long-term leasehold property £ | Fixtures and fittings £ | Office equipment £ | Computer equipment £ |
|-----------------------|---------------------------|---|-------------------------------|--------------------------|----------------------------|
| Cost | | | | | |
| At 1 September 2016 | 22,668,407 | - | 131,704 | - | 235,736 |
| Additions | 185,498 | 6,627,442 | 88,913 | 34,000 | 146,785 |
| At 31 August 2017 | 22,853,905 | 6,627,442 | 220,617 | 34,000 | 382,521 |
| Depreciation | | | | | |
| At 1 September 2016 | 1,140,732 | - | 33,656 | - | 145,693 |
| Charge for the year | 328,063 | 53,020 | 49,699 | 11,220 | 75,782 |
| At 31 August 2017 | 1,468,795 | 53,020 | 83,355 | 11,220 | 221,475 |
| Net book value | | | | | |
| At 31 August 2017 | 21,385,110 | 6,574,422 | 137,262 | 22,780 | 161,046 |
| At 31 August 2016 | 21,527,675 | - | 98,048 | - | 90,043 |

| | |
|-----------------------|--------------------|
| | Total £ |
| Cost | |
| At 1 September 2016 | 23,035,847 |
| Additions | 7,082,638 |
| At 31 August 2017 | 30,118,485 |
| Depreciation | |
| At 1 September 2016 | 1,320,081 |
| Charge for the year | 517,784 |
| At 31 August 2017 | 1,837,865 |
| Net book value | |
| At 31 August 2017 | 28,280,620 |
| At 31 August 2016 | 21,715,766 |

17. STOCKS

| | 2017 £ | 2016 £ |
|----------|-----------|-----------|
| Uniforms | 4,319 | 4,319 |

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

18. DEBTORS

| | 2017 £ | 2016 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 7,867 | 2,977 |
| Other debtors | 126,541 | 52,760 |
| Prepayments and accrued income | 91,413 | 111,878 |
| | <u>225,821</u> | <u>167,615</u> |

19. CREDITORS: Amounts falling due within one year

| | 2017 £ | 2016 £ |
|------------------------------------|----------------|----------------|
| Trade creditors | 90,339 | 592 |
| Other taxation and social security | 8,174 | 115,873 |
| Other creditors | 11,734 | 103,166 |
| Accruals and deferred income | 284,275 | 66,799 |
| | <u>394,522</u> | <u>286,430</u> |

| | 2017 £ | 2016 £ |
|--------------------------------------|----------------|---------------|
| Deferred income | | |
| Deferred income at 1 September 2016 | 69,130 | 45,957 |
| Resources deferred during the year | 108,471 | 69,130 |
| Amounts released from previous years | (69,130) | (45,957) |
| Deferred income at 31 August 2017 | <u>108,471</u> | <u>69,130</u> |

At the balance sheet date the academy trust was holding funds received in advance for ESFA Income of £65,198, lettings income of £840 and trip income of £42,433.

20. STATEMENT OF FUNDS

| | Balance at 1 September 2016 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 August 2017 £ |
|------------------------------|---|------------------|--------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | |
| General Funds - all funds | 19,897 | 290,462 | (293,746) | - | 16,613 |
| Restricted funds | | | | | |
| Restricted Funds - all funds | 988,300 | 9,104,694 | (9,031,118) | - | 1,061,876 |
| Pension reserve | (2,164,000) | (360,000) | (222,000) | 904,000 | (1,842,000) |
| | <u>(1,175,700)</u> | <u>8,744,694</u> | <u>(9,253,118)</u> | <u>904,000</u> | <u>(780,124)</u> |

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20. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

| | | | | | |
|--|------------|------------|--------------|---------|------------|
| Restricted Fixed Asset Funds - all funds | 21,715,766 | 7,158,761 | (517,784) | - | 28,356,743 |
| Total restricted funds | 20,540,066 | 15,903,455 | (9,770,902) | 904,000 | 27,576,619 |
| Total of funds | 20,559,963 | 16,193,917 | (10,064,648) | 904,000 | 27,593,232 |

STATEMENT OF FUNDS - PRIOR YEAR

| | Balance at 1 September 2015 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 August 2016 £ |
|--|--|-------------|------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | |
| General Funds - all funds | 78,387 | 167,051 | (225,541) | - | 19,897 |
| | 78,387 | 167,051 | (225,541) | - | 19,897 |
| Restricted funds | | | | | |
| Restricted Funds - all funds | 1,403,926 | 7,097,030 | (7,492,656) | - | 1,008,300 |
| Pension reserve | (1,015,000) | - | (80,000) | (1,089,000) | (2,184,000) |
| | 388,926 | 7,097,030 | (7,572,656) | (1,089,000) | (1,175,700) |
| Restricted fixed asset funds | | | | | |
| Restricted Fixed Asset Funds - all funds | 21,573,716 | 26,596 | 115,454 | - | 21,715,766 |
| | 21,573,716 | 26,596 | 115,454 | - | 21,715,766 |
| Total restricted funds | 21,962,642 | 7,123,626 | (7,457,202) | (1,089,000) | 20,540,066 |
| Total of funds | 22,041,029 | 7,290,677 | (7,682,743) | (1,089,000) | 20,559,963 |

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

Restricted fixed asset 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 under 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.

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FOR THE YEAR ENDED 31 AUGUST 2017**

20. STATEMENT OF FUNDS (continued)

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

| | Total 2017 £ | Total 2016 £ |
|---|--------------------|--------------------|
| The Frances Bardsley Academy for Girls | 953,182 | 1,008,197 |
| Benhurst School | 125,307 | - |
| Total before fixed asset fund and pension reserve | 1,078,489 | 1,008,197 |
| Restricted fixed asset fund | 28,356,743 | 21,715,766 |
| Pension reserve | (1,842,000) | (2,164,000) |
| Total | 27,593,232 | 20,559,963 |

ANALYSIS OF ACADEMIES BY COST

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

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs excluding depreciation £ | Total 2017 £ | Total 2016 £ |
|------------------------------------|---|--------------------------------------|------------------------------|---|--------------------|--------------------|
| Frances Bardsley Academy for Girls | 5,084,618 | 1,388,409 | 300,453 | 1,205,539 | 7,979,019 | 7,264,992 |
| Benhurst School | 849,271 | 439,019 | 48,100 | 231,455 | 1,567,845 | - |
| | 5,933,889 | 1,827,428 | 348,553 | 1,436,994 | 9,546,864 | 7,264,992 |

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Total funds 2017 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 28,280,620 | 28,280,620 |
| Current assets | 16,613 | 1,456,398 | 76,123 | 1,549,134 |
| Creditors due within one year | - | (394,522) | - | (394,522) |
| Provisions for liabilities and charges | - | (1,842,000) | - | (1,842,000) |
| | 16,613 | (780,124) | 28,356,743 | 27,593,232 |

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21. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

| | <i>Unrestricted funds</i> | <i>Restricted funds</i> | <i>Restricted fixed asset funds</i> | <i>Total funds</i> |
|--|-------------------------------|-----------------------------|---|------------------------|
| | <i>2016</i> | <i>2016</i> | <i>2016</i> | <i>2016</i> |
| | <i>£</i> | <i>£</i> | <i>£</i> | <i>£</i> |
| Tangible fixed assets | - | - | 21,715,766 | 21,715,766 |
| Current assets | 19,897 | 1,274,730 | - | 1,294,627 |
| Creditors due within one year | - | (286,430) | - | (286,430) |
| Provisions for liabilities and charges | - | (2,164,000) | - | (2,164,000) |
| | <u>19,897</u> | <u>(1,175,700)</u> | <u>21,715,766</u> | <u>20,559,963</u> |

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

| | <i>2017</i> | <i>2016</i> |
|--|----------------|----------------|
| | <i>£</i> | <i>£</i> |
| Net income/(expenditure) for the year (as per Statement of Financial Activities) | 6,129,269 | (392,066) |
| Adjustment for: | | |
| Depreciation charges | 517,784 | 417,751 |
| Assets transferred over from local authority | (6,267,442) | - |
| Increase in debtors | (58,206) | (26,210) |
| Increase/(decrease) in creditors | 108,092 | (36,997) |
| Capital grants from DfE and other capital income | (322,211) | (26,596) |
| Defined benefit pension scheme cost less contributions payable | 171,000 | 22,000 |
| Defined benefit pension scheme finance cost | 51,000 | 38,000 |
| Net cash provided by/(used in) operating activities | <u>329,286</u> | <u>(4,118)</u> |

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | <i>2017</i> | <i>2016</i> |
|--------------|------------------|------------------|
| | <i>£</i> | <i>£</i> |
| Cash in hand | 1,318,994 | 1,122,693 |
| Total | <u>1,318,994</u> | <u>1,122,693</u> |

24. CONVERSION TO AN ACADEMY TRUST

On 1 October 2016 Benhurst Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Life Education Trust from London Borough of Havering 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

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24. CONVERSION TO AN ACADEMY TRUST (continued)

appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations- transferred 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 incorporating income and expenditure account.

| | Unrestricted funds £ | Restricted funds £ | Restricted fixed asset funds £ | Total funds £ |
|--------------------------------------|----------------------------|--------------------------|---|---------------------|
| Tangible fixed assets | | | | |
| Leasehold land and buildings | - | - | 6,627,442 | 6,627,442 |
| - Other tangible fixed assets | - | - | 209,108 | 209,108 |
| Budget surplus/(deficit) on LA funds | - | 88,230 | - | 88,230 |
| LGPS pension surplus/(deficit) | - | (360,000) | - | (360,000) |
| Net assets/(liabilities) | - | (271,770) | 6,836,550 | 6,564,780 |

The above net assets include £88,230 that were transferred as cash.

25. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2017.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions

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25. PENSION COMMITMENTS (continued)

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 (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £675,852 (2016 - £527,696).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £439,000 (2016 - £330,000), of which employer's contributions totalled £354,000 (2016 - £261,000) and employees' contributions totalled £85,000 (2016 - £69,000). The agreed contribution rates for future years are 20.3% for employers and 6.5% for employees.

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

Principal actuarial assumptions:

| | 2017 | 2016 |
|--|--------|--------|
| Discount rate for scheme liabilities | 2.50 % | 1.90 % |
| Rate of increase in salaries | 2.70 % | 3.00 % |
| Rate of increase for pensions in payment / inflation | 2.40 % | 2.00 % |

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

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

| | 2017 | 2016 |
|----------------------|------|------|
| Retiring today | | |
| Males | 22.0 | 22.1 |
| Females | 24.2 | 24.1 |
| Retiring in 20 years | | |
| Males | 23.9 | 24.2 |
| Females | 26.3 | 26.7 |

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

| | Fair value at 31 August 2017 £ | Fair value at 31 August 2016 £ |
|------------------------------|---|---|
| Equities | 3,505,500 | 2,632,000 |
| Debt instruments | 794,580 | 779,000 |
| Property | 280,440 | 185,000 |
| Cash | 93,480 | 111,000 |
| Total market value of assets | <u>4,674,000</u> | <u>3,707,000</u> |

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

| | 2017 £ | 2016 £ |
|----------------------|------------------|------------------|
| Current service cost | (525,000) | (240,000) |
| Interest income | 81,000 | 117,000 |
| Interest cost | (132,000) | (155,000) |
| Total | <u>(576,000)</u> | <u>(278,000)</u> |

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25. PENSION COMMITMENTS (continued)

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

| | 2017 £ | 2016 £ |
|------------------------------------|------------------|------------------|
| Opening defined benefit obligation | 5,871,000 | 4,105,000 |
| Upon conversion | 724,000 | - |
| Current service cost | 525,000 | 240,000 |
| Interest cost | 132,000 | 155,000 |
| Employee contributions | 85,000 | 57,000 |
| Actuarial (gains)/losses | (697,000) | 1,424,000 |
| Benefits paid | (124,000) | (110,000) |
| | <u>6,516,000</u> | <u>5,871,000</u> |
| Closing defined benefit obligation | <u>6,516,000</u> | <u>5,871,000</u> |

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

| | 2017 £ | 2016 £ |
|-------------------------------------|------------------|------------------|
| Opening fair value of scheme assets | 3,707,000 | 3,090,000 |
| Upon conversion | 364,000 | - |
| Interest income | 81,000 | 117,000 |
| Actuarial losses | 207,000 | 335,000 |
| Employer contributions | 354,000 | 218,000 |
| Employee contributions | 85,000 | 57,000 |
| Benefits paid | (124,000) | (110,000) |
| | <u>4,674,000</u> | <u>3,707,000</u> |
| Closing fair value of scheme assets | <u>4,674,000</u> | <u>3,707,000</u> |

26. OPERATING LEASE COMMITMENTS

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

| | 2017 £ | 2016 £ |
|-------------------------|--------------|---------------|
| Amounts payable: | | |
| Within 1 year | 5,559 | 8,716 |
| Between 1 and 5 years | - | 1,852 |
| | <u>5,559</u> | <u>10,568</u> |
| Total | <u>5,559</u> | <u>10,568</u> |

27. 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.

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28. 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 the trust 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.

29. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2017 the trust received £10,131 (2016: £11,543) and disbursed £1,907 (2016: £8,722) from the fund. An amount of £NIL is included in other creditors relating to undistributed funds that is repayable to the ESFA.