

LIFE Education Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements
For the year ended 31 August 2018



Company Registration Number: 08102628 (England and Wales)

LIFE Education Trust
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LIFE Education Trust
Reference and Administrative Details

Members	Mrs T Burrowes-Cromwell Miss A Smart (resigned 31 August 2018) Mr A Morgan Mr I Wigston Mr F Steel (resigned 31 August 2018) Mr T Elbourne (appointed 22 August 2018)
Trustees	Mrs T Burrowes-Cromwell Mr M Debens Mr D Denchfield, Director of Primary (resigned 31 August 2018) Mrs L Douglas Mr J R Dutnall, CEO, Director of Secondary Mrs S Malik Miss A Smart (resigned 31 August 2018) Mrs M Thompson (resigned 16 April 2018) Mrs M Cherry (appointed 1 September 2018) Mr D Mansfield (appointed 1 September 2018) Mr S Odart (appointed 16 April 2018)
Senior Management Team:	
<u>The Frances Bardsley Academy for Girls</u>	
Headteacher	Mr J R Dutnall
Senior Vice Principal	Mr D Turrell
Vice Principal	Mrs E Darabasz
Vice Principal	Mr W Menlove
Vice Principal	MR P Claydon
Assistant Headteacher	Mrs K Dennehy
Business Manager	Mrs D Broom
<u>Benhurst Primary School</u>	
Headteacher	Mr D Denchfield
Deputy Headteacher	Mrs K Hart
Assistant Headteacher	Mrs K Garratty
Assistant Headteacher	Mrs K Lyons
Principal and Registered Office	The Frances Bardsley Academy for Girls Brentwood Road Romford Essex RM1 2RR
Company Registration Number	08102628 (England and Wales)
Independent Auditor	Kingston Smith LLP Devonshire House 60 Goswell Road London, EC1M 7AD

LIFE Education Trust
Reference and Administrative Details

Bankers	Lloyds Bank Plc 21-25 Station Lane Hornchurch Essex RM12 6JL Office address line 5
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Solicitors	DWF LLP Scott Place 2 Hardman Street Manchester M3 3AA
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LIFE Education Trust

Trustees' Report for the year ended 31 August 2018

This is the annual report together with the financial statements and auditor's report of LIFE Education Trust, a charitable company, for the year 2017/18. This annual report serves the purposes of both a trustees' report, and a directors' report under company law.

During the period from 1st September 2017 to 31st August 2018 LIFE Education Trust operated Benhurst Primary school and The Frances Bardsley Academy for Girls in Havering as well as The Bridge Centre for students with medical needs and mental health issues. Its academies have a combined pupil capacity of 1760 pupils and had a roll of 1729 in the school census on 17th May 2018

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association 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 operates as LIFE Education Trust. It also operated as The Frances Bardsley Academy for Girls, Benhurst Primary School and The Bridge Alternative Provision Centre during the 2017/18 academic year.

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

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.

Trustees' 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.

Method of Recruitment and Appointment or Election of Trustees

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:

- Up to 9 directors appointed by the Members including the CEO.
- Up to 3 Directors appointed by the Chelmsford Diocesan Education Trust provided that the total number of Directors appointed under this Article would not thereby exceed 25% of the total number of Directors.
- Up to two co-opted directors appointed by members.

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 for a further term in accordance with the articles.

LIFE Education Trust

Trustees' Report for the year ended 31 August 2018 (continued)

New trustees are appointed in accordance with the articles. Appointment follows a vacancy arising and is then based on a skills audit, receipt of biography or curriculum vitae and interview with an existing Board member to fill the existing skills gap.

Policies and Procedures Adopted for the Induction and Training of Trustees

All directors receive detailed induction which includes a meeting with the Chair, CEO and Clerk to the Board and detailed induction materials.

Organisational Structure

See appendix 1 for the organisational structure of the LIFE Education Trust. The governance structure was last approved by the Department for Education in August 2018 prior to two new schools joining the Trust on 1st September 2018.

The CEO is the accounting officer in the Trust. The scheme of delegation in appendix 2 indicates how decisions are made and the powers that are delegated to committees and individuals.

Arrangements for setting pay and remuneration of key management personnel

Appendix 3 contains the Pay Policy for the Trust for 2017/18. This highlights the arrangements by which the pay and remuneration of the academy's key management personnel is set and the way in which benchmarking and criteria is used. This includes head teachers and central Trust staff.

Trade union facility time

The Trust does not employ and trade union officials

Related Parties and other Connected Charities and Organisations

The Trust, through Frances Bardsley Academy, is a member of the Havering Learning Partnership. This is a soft federation of 18 secondary schools and 2 colleges in the London Borough of Havering. The annual membership fee is £5,000. There is no obligation on the Trust relating to membership but access is provided to a range of resources, meetings and activities for free or at a reduced rate.

Frances Bardsley Academy is also a member of the Association of State Girls Schools. The annual membership fee of £500 confers no obligations on the Trust.

The Trust, through Benhurst Primary School, is a member of a Havering Local Authority cluster group. This is a soft federation which is free and entails no obligation on the part of the Trust.

The Trust paid £554 to Graffham Consulting, of which Mrs Louise Douglas is a director, during 2017/18 for services related to Safeguarding Training. This price was well below the market value for the services provided.

The Trust also works with the Ann Frank Trust which supports and trains the students at FBA annually.

Objectives and Activities

Objects and Aims

The principal object and activity of the Trust for 2017/18 is the operation of 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 approved by the Secretary of State for Education, the academy has adopted a scheme of delegation which has been accepted by the Department for Education.

LIFE Education Trust
Trustees' Report for the year ended 31 August 2018 (continued)

Objectives, Strategies and Activities

The Trust has undertaken self-evaluation activities to correctly identify objectives for each year. The objectives for 2017/18 were embedded in the Strategic Plan:

- **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 the objectives the Trust undertook were:

- Greater collaboration with local schools
- Raising standards through use of Lead Practitioners and the Director of Standards
- The development of new policies and procedures and implementation of a new self-evaluation framework.
- The use of Edison Learning as an external Quality Assurance Provider

LIFE Education Trust

Trustees' Report for the year ended 31 August 2018 (continued)

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:

- **Learning from the Past**

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**

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**

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 :

- **An efficient school:** A financially and structurally viable organisation.
- **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.
- **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 a global community.
- **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.

LIFE Education Trust
Trustees' Report for the year ended 31 August 2018 (continued)

Public Benefit

The LIFE Education Trust trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission [on their website at Charities and Public Benefit] in exercising their powers or duties

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

- Raising money for local, national and international charities.
- Contribution to services and events in the local community particularly through drama and music
- Sports Leader programs that provide sporting activities to local Primary Schools.
- Opening the FBA School Farm to local primary schools
- Provision of an art gallery which is open to the public
- Collaboration with local schools
- The farm which is an oasis of encouragement and support for all pupils
- The use of LIFE student ambassadors who have worked with Network Rail and Transport for London on positive mental health strategies

Strategic Report

Achievements and Performance

Benhurst Primary School

Achievements:

Subject	Nat Ave	Benhurst 2018
GLD	70.7% (2018)	70%
Phonics Screening	81% (2017)	93%
Y2 Combined	N/A	75%
Y6 Combined	64% (2018)	63%

LIFE Education Trust
Trustees' Report for the year ended 31 August 2018 (continued)

GLD

At least 88% expected progress in all 17 areas, with 15 areas showing progress over 90%. At least 10% of accelerated progress was made in all areas, with 7 areas making over 20% progress (including Understanding 30% and Speaking 25%).

76% achieved ELG in reading, writing and number.

Overall, there is no significant gender gap. The disadvantaged gap is generally small.

Phonics Screening

Strong progress from YR for all groups with no disadvantaged or gender gap.

Y2 Combined

Reading +2%, writing +6% and maths +4% from the end of Y1. Disadvantaged gap closing in all areas. At least 13% of children made accelerated progress from YR and attainment in GDS strong in all areas.

Y6 Combined

Attainment for reading, writing and maths is in line with National Averages. GDS combined is in line with National Average. Disadvantaged combined +2% on last year. The following marginal scores indicate that results were extremely close to targets:

Marginal scores	
Reading	5% scored 99 and 5% scored 109
Writing	8% scored 99
Maths	10% scored 99 and 8% scored 109

If the marginal children had converted and one additional child, whose parents withdrew them from the test, had sat the tests, Y6 combined would have been 81% and significantly increased progress results.

Frances Bardsley Academy

Results at GCSE improved on all key measures. The Progress 8 score is above average as seen in the table below. The Progress for disadvantaged students is now the third best out of 18 schools in the Borough. Attainment is above local and national averages.

Progress 8 score ?

Above average	0.19
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Results at Key Stage 5 are also strong with 49% of results at Grade B or above and an average grade of C+. Progress is above the national and local averages.

LIFE Education Trust
Trustees' Report for the year ended 31 August 2018 (continued)

Key Performance Indicators

Both schools run by the Trust remain Good in terms of Ofsted outcomes. Attendance and achievement are strong. Both schools are oversubscribed despite both having expanded their intake in the last few years.

Key Performance Indicators

Benhurst Primary School SATs results for 2016/17

	Y6 Age Related Expectations (SATs)			Y6 Greater Breadth & Depth (SATs)			Y6 Progress (SATs)	
	2017	2018	2018 National Average	2017	2018	2018 National Average	2018 Expected	2018 Accelerated
Reading	87	77	75	30	22	19	84	13
Writing	97	88	78	22	20	15	95	23
Maths	88	75	76	43	22	17	79	13
SPaG	93	73	78	43	31	22	n/a	n/a
Comb	83	63	64	12	10	5	n/a	n/a

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

	2016			2017			2018		
	Target	Actual	Diff	Target	Actual	Diff	Target	Actual	Diff
Expected Progress KS2-4 English	70	72	2	75	76	1	61	68	7
Expected Progress KS2-4 Maths	75	74	-1	75	58	-17	61	49	-12
5+ A*-C inc Eng & Maths	65	66	1	70	70	0	57	70	13
Cohort	219	219	0	214	214	0	203	203	0

LIFE Education Trust
Trustees' Report for the year ended 31 August 2018 (continued)

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

			2017		2018	
Absence	School	National for secondary schools	School	National for secondary schools	School	National for secondary schools
% Persistent absentees – absent for 10% or more sessions	10.2	12.4	11.8	12.75	11.20	13.59
% of sessions missed due to Overall Absence	4.6	5.0	4.7	5.15	4.52	5.36

School Absence Data Frances Bardsley

	2017/18
Authorised	3.92%
Unauthorised	0.6%
Total	5.5%

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

	2015		2016		2017	
	School	National for Primary Schools	School	National for Primary Schools	School	National for Primary Schools
% Persistent absentees – absent for 15% or more sessions	3.8	4.0	2.6	4.0	3.8	Not available
% Persistent absentees – absent for 10% or more sessions	8.3	9.2	9.6	8.8	9.6	Not available
% of sessions missed due to Overall Absence	4.4	4.0	4.5	3.9	4.6	Not available

School Absence Data Benhurst Primary

	2017/18
Authorised	3.7%
Unauthorised	0.9%

LIFE Education Trust

Trustees' Report for the year ended 31 August 2018 (continued)

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

During the period, EFA/LA grants received totalled to £9,039,662 (2017: £8,796,309). Other income included within restricted funds totalled to £306,991 (2017: £220,155). Restricted fund expenditure totalled to £9,800,815 (2017: £10,064,648).

The main source of unrestricted income is from lettings totalling £154,317 / £196,891.

Most of the Trust's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the 12 month period ended 31 August 2018 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 EFA. 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:

- permanent endowment funds
- expendable endowment funds
- restricted income funds
- 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').

LIFE Education Trust

Trustees' Report for the year ended 31 August 2018 (continued)

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. The directors are working with the Trust Executives to create a robust Reserves Policy that takes into account the changing nature and composition of the Trust.

Total reserves at the end of the period amounted to £691,254 (2017: £1,078,489) before deductions of pension's reserve of £1,573,000 (2017: £1,842,000).

This balance includes unrestricted funds (free reserves) of £nil (2017: £16,613), which is considered appropriate for the Trust, and restricted funds of £691,254 (2017: £1,061,876).

The amount of designations made in relation to the unrestricted reserves totals to £nil (2017: £nil).

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

- £12,000 – 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 totalling to £1,573,000 (2017: £1,842,000). 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.

Each Local Governing Body receives a financial progress report at each of its meetings. The Trust Pay and Personnel Committee receives financial updates for central Trust funds and for each school at every meeting. The Chief Executive Officer, Business development manager and Finance Manager meet on a monthly basis to discuss the month end reports and this information is disseminated to the Chair of the Board.

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 that each 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 2018, two Special Interest Deposit accounts were held totalling £204,020

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 its structure was discussed with directors at a conference in January 2016. The register was reviewed when the SAT became a MAT in July 2016 and is regularly reviewed at each Trust Committee and Board meeting. 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.

LIFE Education Trust

Trustees' Report for the year ended 31 August 2018 (continued)

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, its finances, premises and risks to reputation. 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.

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

For the 2018/19 academic year the Trust will again focus on 8 key objectives:

- **Achievement:** Optimise achievement and attainment for all students in the MAT
The trust will be reviewing the new Ofsted framework in detail as well as ensuring that the Director of Standards keeps directors and all relevant staff up to date with changes in reporting measures. Each school will be reviewing their curriculum and the rationale for it so that they are certain that every child will fulfil their potential.
- **Ethos:** Ensure all schools understand and can demonstrate a shared ethos whilst holding to their own identity and values. An external review of the Trust values will be taking place. This will embrace the key stakeholders in the new school as well as existing stakeholders and will focus on ensuring that the vision and values of the Trust adequately reflect the vision and values of the directors and other key stakeholders.
- **Efficiency:** Increase the size of the MAT and embed our structures to secure economies of scale and effective collaboration with two new schools joining the Trust on 1st September and The Bridge becoming an independent school on the same date, the Trust has already more than doubled in terms of the number of schools. Further discussions with standalone academies and with maintained schools will continue with an aim of the Trust running between 6 and 8 schools by 1st September 2019. During the year, a number of steps will be taken to ensure efficiency. These will include centralising more services, standardising procedures and ensuring that systems are streamlined. Staff structures will be reviewed in each school and we anticipate that the number of staff employed to oversee or support central MAT functions will increase. A system to reimburse schools for offering their staff to support other schools in the MAT will be developed.
- **Collaboration:** Ensure effective collaboration between schools within the MAT and with other providers the meeting schedule for MAT executives has been refined and the central team meets on a half termly basis. Working together on key teaching and learning issues as well as cultural and celebratory events is part of the plan for the year. Each school will also work in a peer review system to ensure external input. We expect that schools will also continue links with networks and partnerships in which they existed before joining the MAT.
- **Preparation:** Ensure all students are fully prepared for their future life the LIFE Passport which looks at holistic development will continue in this academic year. International projects and cultural enrichment days will be encouraged and embedded in all schools. Frances Bardsley Academy will continue its work towards the Careers Award.

LIFE Education Trust

Trustees' Report for the year ended 31 August 2018 (continued)

- **Improvement:** Create an effective school improvement system the Director of Standards will lead on Trust wide improvement in accordance with the directions of the Standards Committee. LIFE staff will be supporting schools in Havering and Barking and Dagenham particularly in the areas of Maths and English.
- **Learning:** Ensure high quality teaching and learning. Aspects of teaching and learning form part of the development plans in all LIFE schools. These include developing a greater understanding of the nature of learning and increasing the level of challenge.

Outcomes that we will specifically focus on include:

- Benhurst and The Bridge being fully prepared for Ofsted inspections
- The ethos will be reviewed using an external company and key stakeholders to ensure that it is relevant and appropriate
- Seeking new Church of England Primary schools to join the trust, as well as Havering and Essex SATs and maintained schools
- Work on aligning and streamlining financial and facilities management
- Collaboration with local SATs and MATs as well as working with larger MATs to understand their systems and structured will take place
- Work on the LIFE Passport and collaboration between LIFE Primary schools will develop
- The Director of Standards role will develop and quality assurance will be evaluated
- Will look at ways to ensure high quality teaching and learning for all children

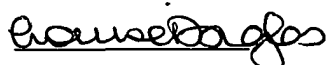
Auditor

Insofar as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The directors reviewed their auditors during 2017/18 and appointed new auditors following an appropriate tendering process.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 27th November 2018 and signed on the board's behalf by:



Louise Douglas
Trustee

LIFE Education Trust
Governance Statement for the year ended 31 August 2018

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding 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 4 times during the year including their Strategic Away Day. Attendance during the year at meetings of the board of trustees was as follows:

Local Governing Body Frances Bardsley

Trustees	Meetings attended	Out of Possible
Father RSP Hingley	9	9
Mr A Morgan	9	9
Mr R Bristow	6	9
Mrs D Green	8	9
Mrs A Hawkins	9	9
Mr D White	2	9
Mr M Debens	9	9
Mr P G Green	6	9
Mr P A O'Kelly	9	9
Ms K Poluck	6	9
Mr J R Dutnall	9	9

Local Governing Body Benhurst Primary

Trustees	Meetings attended	Out of Possible
Mr F Steel	5	6
Mr D Denchfield	6	6
Mr D Jefferys	4	6
Mr K Cooper	5	6
Mrs A Fakayode	5	6
Mrs S McCarthy	6	6
Mrs B Mills	5	6
Miss A Gray	4	6
Mrs C Watkins	2	6
Mr P Whitelock	4	6
Mrs F Sangobowale	4	6

LIFE Education Trust

Governance Statement for the year ended 31 August 2018 (continued)

During the year Mr Steve Odart replaced Mrs Maria Thompson on the Board. From 1st September 2018, Mr David Mansfield replaced Mr David Denchfield, and Mrs Mary Cherry replaced Ms Ann Smart.

The responsibilities and scope of duties of the trustees and its subcommittees is contained within the scheme of delegation. The Board uses a HealthCheck system for ensuring that it is fully aware of the performance of each of its schools. This system was originally based on a successful model from the Reach2 Multi Academy Trust but has now been significantly reviewed in February 2018. The 8 Healthcheck areas are Leadership and Management; Teaching and Learning; Achievement; and Behaviour and Safety (which represent the current 4 Ofsted areas) as well as Ethos; Premises; Finance; and Human Resources. Each school works with its governors to provide a termly Healthcheck for each of these 8 areas. Areas of concern are noted as red and an exception report is provided to the Board or its subcommittee.

The Board is pleased that results at Frances Bardsley School have improved to be graded above average in terms of GCSE Progress 8 and to be positive in terms of Key Stage 5 results.

They are also pleased that through working closely with the Church of England, two new schools were been added to the Trust on 1st September 2018. Much of the preparatory work was conducted during the 2017/18 academic year.

Governance reviews:

The Board reviewed their performance in January 2018 and determined to continue with the Healthcheck process in a revised form. A search was undertaken to find a trustee with business growth and IT expertise which resulted in the appointment of Mr Steve Odart. The composition of the Board was reviewed in July 2018 and the number of employees reduced to one. An educational expert and a financial expert were sought to replace outgoing directors. The new structure was approved by the Department for Education in September 2018.

All governors conducted a skills audit in September 2018. The Board will review its performance again in January 2019.

The Finance and Facilities Committee is a sub-committee of the main board of trustees. Its purpose is outlined in its terms of reference and in the scheme of delegation. This includes but is not limited to:

1. Performance manage schools via the Finance and Premises School Health checks
2. Receive and recommend annual budgets for each school and the Central Trust to the Board. Monitor school and Trust budgets.
3. Prepare the financial statements for presentation to the Board and approve management letters.
4. Recommend appointment of external auditors
5. Review timely returns to ESFA in accordance with deadlines
6. Receive and review internal and external audit statements and reports
7. Oversee financial procedures including compliance with DfE, ESFA and AfH
8. Review the register of interests of budget holders regarding 3rd party transactions
9. Oversee site and premises operational management including compliance with Health & Safety and other legal requirements
10. Review the condition survey and asset management reports
11. Oversee premises related funding bids
12. Review plans for new build and refurbishment projects
13. Receive annual Health & Safety audit and major incident reports.

As well as fulfilling the above, the Committee has overseen the change in auditors and Miss A Smart was included in the selection process. The dining hall project was also reviewed on a regular basis with a member of the committee attending Site meetings with contractors. CIF bids were also managed by the committee to maximise grant income.

LIFE Education Trust
Governance Statement for the year ended 31 August 2018 (continued)

During the year Mary Cherry, who is a qualified accountant, joined the committee. Attendance at meetings in the year was as follows:

LIFE Education Trust Board

Directors	Meetings attended	Out of Possible
Miss A Smart	6	6
Mr M Debens	6	6
Mrs S Malik	2	6
Mr J R Dutnall	6	6
Mr D Denchfield	4	6
Mrs T Burrows-Crowell	3	6
Mrs L Douglas	5	6
Mrs M Thompson	1	6

Review of Value for Money

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

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

- Reviewing staffing costs at all schools. Reductions were made through not replacing a member of the senior leadership team in January 2018; or a member of support staff who left in May 2018 at Frances Bardsley Academy; reducing the number of staff on the leadership scale at The Bridge ; and reducing the hours of Learning Support Assistants at Benhurst Primary School
- Increasing the lettings at Frances Bardsley Academy so that over £100,000 per annum is now received
- Using the combined buying power of the Trust to reduce the cost of contracts and services to all schools eg. Combined HR, legal and Payroll services

The Purpose of the System of Internal Control

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

LIFE Education Trust
Governance Statement for the year ended 31 August 2018 (continued)

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1st September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided:

- to appoint Mary Cherry as internal auditor/responsible officer for the period 1st September 2017 to 31st August 2018

The responsible officer role includes giving advice on financial matters and performing a range of checks on the academy 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 internal reviewer reports 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 Trust can confirm that the responsible officer delivered their schedule of work as planned. There were no material control issues arising for the reports.

LIFE Education Trust
Governance Statement for the year ended 31 August 2018 (continued)

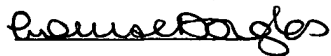
Review of Effectiveness

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

- the work of the internal auditor/responsible officer
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Facilities 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 27th November 2018 and signed on its behalf by:



Louise Douglas
Trustee

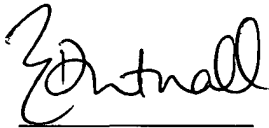
LIFE Education Trust

Statement of Regularity, Propriety and Compliance for the year ended 31 August 2018

As accounting officer of Coketown Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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



Mr J R Dutnall
Accounting Officer

Date: 4 December 2018

LIFE Education Trust

Statement of Trustees' Responsibilities for the year ended 31 August 2018

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

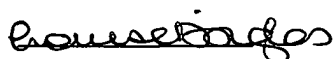
Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for 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 27th November 2018 and signed on its behalf by:



Louise Douglas
Trustee

Independent Auditor's 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 trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRS'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 company'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report on the Financial Statements to the Members of
LIFE Education Trust
(continued)

Opinion on other matter 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 strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements, and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where 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 or trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 18, the trustees (who are also the directors of the charitable company 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 trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Independent Auditor's Report on the Financial Statements to the Members of
LIFE Education Trust
(continued)

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including and significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the academy trust'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 trust's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Kingston Smith LLP

Date: 14 December 2018

James Cross (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

Kingston Smith LLP
Devonshire House
60 Goswell Road
London, EC1M 7AD

Independent Reporting Accountant's 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 19 January 2018 and further to the requirements of the Education Funding and Skills Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018 we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by LIFE Education Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to LIFE Education Trust an 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 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 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 2018 for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Enquiry
- Inspection and review
- Observation and reperformance

Independent Reporting Accountant's Assurance Report on Regularity to
LIFE Education Trust and the Education and Skills Funding Agency

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 period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Kingston Smith LLP

Date: *14 December 2018*

James Cross (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

Kingston Smith LLP
Devonshire House
60 Goswell Road
London, EC1M 7AD

LIFE Education Trust

Statement of Financial Activities for the year ended 31 August 2018

(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2018 £000	Total 2017 £000
Income and endowments from:						
Donations and capital grants	2	-	-	138	138	322
Transfer from Local Authority on conversion		-	-	-	-	6,565
Charitable activities:						
Funding for the academy trust's educational operations	3	-	9,347	-	9,347	9,016
Other trading activities	4	197	-	-	197	290
Investments	5	1	-	-	1	1
Total		198	9,347	138	9,683	16,194
Expenditure on:						
Charitable activities:						
Academy trust educational operations	7	2	9,801	509	10,312	10,065
Total		2	9,801	509	10,312	10,065
Net Income / (expenditure)		196	(454)	(371)	(629)	6,129
Transfers between funds	17	(212)	(211)	423	-	-
Other recognised gains/(losses):						
Actuarial (losses) / gains on defined benefit pension schemes	17, 25	-	563	-	563	904
Net movement in funds		(16)	(102)	52	(66)	7,033
Reconciliation of funds						
Total funds brought forward		16	(780)	28,357	27,593	20,560
Total funds carried forward		-	(882)	28,409	27,527	27,593

All of the academy's activities derive from continuing operations during the above two financial periods.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The detailed comparative information for the Statement of Financial Activities is included on note 28.

LIFE Education Trust
Balance Sheet as at 31 August 2018

	Notes	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Tangible assets	12		28,403		28,281
Current assets					
Stock	13	4		4	
Debtors	15	150		226	
Cash at bank and in hand		<u>1,002</u>		<u>1,319</u>	
		1,156		1,549	
Liabilities					
Creditors : Amounts falling due within one year	16	<u>(459)</u>		<u>(395)</u>	
Net current assets/(liabilities)			697		1,154
Total assets less current liabilities			29,100		29,435
Defined benefit pension scheme liability	25		(1,573)		(1,842)
Total net assets			<u>27,527</u>		<u>27,593</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	17	28,409		28,357	
General fund	17	691		1,062	
Pension reserve	17	<u>(1,573)</u>		<u>(1,842)</u>	
Total restricted funds			27,527		27,577
Unrestricted income funds	17		-		16
Total funds			<u>27,527</u>		<u>27,593</u>

The financial statements on pages 27 to 41 were approved by the trustees, and authorised for issue on 4 December 2018 and are signed on their behalf by:



Mrs L Douglas
Trustee

LIFE Education Trust
Statement of Cash Flow for the year ended 31 August 2018

	Notes	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	178	329
Cash flows from investing activities	22	(493)	(133)
Change in cash and cash equivalents in the reporting period		<u>(315)</u>	<u>196</u>
Cash and cash equivalents at 1 September 2017		1,319	1,123
Cash and cash equivalents at 31 August 2018	23	<u>1,004</u>	<u>1,319</u>

1 Statement of Accounting Policies

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

Company Information

LIFE Education Trust is a private company limited by guarantee, domiciled and incorporated in England and Wales. The registered office and principal place of business is The Frances Bardsley Academy for Girls, Brentwood Road, Romford, Essex, RM1 2RR.

Basis of Preparation

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

LIFE Education Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest thousand pounds.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the 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.

Income

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

• Grants

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

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

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

• Donations

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

• Other Income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

• Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and "Income from other trading activities". Upon sale, the value of the stock is charged against "Income from other trading activities" and the proceeds are recognised as "Income from other trading activities". Where it is impractical to fair value the items to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within "Income from other trading activities".

1 Statement of Accounting Policies (continued)

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 a 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 the support costs involved in undertaking each activity. Direct costs attributable to a single activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with 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 Raising Funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

• **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Freehold property	2% straight line basis
Long-term leasehold property	Straight line basis over the term of the lease
Fixtures and fittings	20% straight line basis
Computer equipment	33% straight line basis

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Liabilities

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

Provisions

Provisions can be recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle an 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 last 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.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Investments

The academy's shareholding in the wholly owned subsidiary, ABC Limited, is included in the balance sheet at the cost of the share capital owned. There is no readily available market value and the cost of valuation exceeds the benefit derived.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

1 Statement of Accounting Policies (continued)

Financial Instruments

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

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 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.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 29, 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 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.

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency.

1 Statement of Accounting Policies (continued)

Critical accounting estimates and areas of judgment

Estimates and judgements 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 assumption will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

LIFE Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

2 Donations and capital grants

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2018 £000	Total 2017 £000
Capital Grants	-	-	138	138	322
Assets transferred from local authority	-	-	-	-	6,565
2017/18 Total	-	-	138	138	6,887
2016/17 Total		(272)	7,159		6,887

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
DfE / ESFA revenue grants				
General Annual Grant (GAG) (note 2)	-	8,122	8,122	7,871
Start Up Grants	-	-	-	25
Other DfE/ESFA grants	-	418	418	374
	-	8,540	8,540	8,270
Other Government grants				
Local authority grants	-	500	500	526
	-	500	500	526
Other Income from the academy trust's educational operations	-	307	307	220
2017/18 Total	-	9,347	9,347	9,016
2016/17 Total	-	9,016		9,016

4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Hire of facilities	155	-	155	-
General income	42	-	42	290
2017/18 Total	197	-	197	290
2016/17 Total	290	-		290

5 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Short term deposits	1	-	1	1
2017/18 Total	1	-	1	1
2016/17 Total	1	-		1

LIFE Education Trust
Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

6 Expenditure

	Staff Costs £000	Non Pay Expenditure		Total 2018 £000	Total 2017 £000
		Premises £000	Other £000		
Academy's educational operations:					
Direct costs	6,691	-	1,028	7,719	6,832
Allocated support costs	1,491	326	776	2,593	3,233
2017/18 Total	8,182	326	1,804	10,312	10,065
2016/17 Total	7,761	271	2,033		10,065

Net income / (expenditure) for the period includes:

	2018 £000	2017 £000
Depreciation - in relation to the current period	518	518
Depreciation - over provision in relation to the previous period	(22)	-
(Gain)/loss on disposal of fixed assets	(9)	-
Fees payable to auditor for:		
Audit	8	4
Other services	4	3

7 Charitable Activities

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2018 £000	Total 2017 £000
Direct costs - educational operations	2	7,717	-	7,719	6,832
2017/18 Total	2	7,717	-	7,719	6,832
2016/17 Total	294	6,538	-		6,832

Analysis of support costs

	Educational operations £000	Total 2018 £000	Total 2017 £000
Support staff costs	1,491	1,491	1,854
Depreciation	509	509	518
Technology costs	37	37	-
Premise costs	326	326	275
Other support costs	215	215	579
Governance costs	14	14	7
Total support costs	2,593	2,593	3,233

LIFE Education Trust
Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

8 Staff

a. Staff costs

Staff costs during the period were:

	2018 £000	2017 £000
Wages and salaries	5,979	5,453
Social security costs	610	736
Operating costs of defined benefit pension scheme	1,332	1,214
	<u>7,921</u>	<u>7,403</u>
Supply staff costs	249	334
Staff restructuring costs	12	24
	<u>8,182</u>	<u>7,761</u>
Staff restructuring costs comprise:		
Severance payments	12	24
	<u>12</u>	<u>24</u>

b. Non statutory/non-contractual severance payments

Included in staff restructuring costs are non-contractual severance payments totalling £12,000 (2017: £24,500). Individually, the payments were: £12,000 (2017: £6,500 and £18,000).

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	99	100
Administration and support	101	102
Management	11	10
	<u>211</u>	<u>212</u>

d. Higher paid staff

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

	2018 No.	2017 No.
£60,001 - £70,000	4	2
£70,001 - £80,000	1	1
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £724,000 (2017: £848,000).

9 Related Party Transactions - Trustees' Remuneration and Expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

Mr J R Dutnall:		
Remuneration	£100,000 - £105,000 (2017: £95,000 - £100,000)	
Employer's pension contributions	£15,000 - £20,000 (2017: £15,000 - £20,000)	
Mr D Denchfield		
Remuneration	£75,000 - £80,000 (2017: £65,000 - £70,000)	
Employer's pension contributions	£10,000 - £15,000 (2017: £5,000 - £10,000)	

During the year ended 31 August 2018, no travel and subsistence expenses were reimbursed or paid directly to trustees (2017: none).

LIFE Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

10 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 period ended 31 August 2018 was £605 (2017: £604). The cost of this insurance is included in the total insurance cost.

11 Disclosure of central services

The academy trust has provided the following central services to its academies during the year including human resources, financial services, legal services and educational support services.

The trust charges for these services based on rate of 3% of the individual school's ESFA core income for 2017/18. The Bridge, incorporated within Frances Bardsley, has been charged on a rate of 3% of Local Authority income.

The actual amounts charged during the year were as follows:

	2018	2017
Frances Bardsley Academy for Girls	175	-
Benhurst Primary School	49	-
	<u>224</u>	<u>-</u>

No central services were provided by the trust to its academies during the comparative period and no central charges arose.

12 Tangible fixed assets

	Freehold Land and Buildings £000	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Hardware £000	Total £000
Cost					
At 1 September 2017	22,854	6,627	221	417	30,119
Additions	510	49	32	40	631
Disposals	-	-	-	(17)	(17)
At 31 August 2018	<u>23,364</u>	<u>6,676</u>	<u>253</u>	<u>440</u>	<u>30,733</u>
Depreciation					
At 1 September 2017	1,469	53	83	233	1,838
Charged in year	326	23	48	99	496
Disposals	-	-	-	(4)	(4)
At 31 August 2018	<u>1,795</u>	<u>76</u>	<u>131</u>	<u>328</u>	<u>2,330</u>
Net book values					
At 31 August 2018	<u>21,569</u>	<u>6,600</u>	<u>122</u>	<u>112</u>	<u>28,403</u>
At 31 August 2017	<u>21,385</u>	<u>6,574</u>	<u>138</u>	<u>184</u>	<u>28,281</u>

13 Stock

	2018 £000	2017 £000
General Stock	<u>4</u>	<u>4</u>

14 Financial instruments

	2018 £000	2017 £000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>74</u>	<u>98</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>288</u>	<u>286</u>

LIFE Education Trust
Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 Debtors

	2018 £000	2017 £000
Trade debtors	9	8
VAT recoverable	46	37
Other debtors	19	90
Prepayments and accrued income	76	91
	<u>150</u>	<u>226</u>

16 Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	85	90
Other taxation and social security	44	8
Other creditors	25	12
Accruals and deferred income	305	284
	<u>459</u>	<u>394</u>

Deferred income

	2018 £000	2017 £000
Deferred Income at 1 September 2017	108	69
Resources deferred in the year	171	108
Amounts released from previous years	(108)	(69)
Deferred Income at 31 August 2018	<u>171</u>	<u>108</u>

At the balance sheet date the academy trust was holding funds received in advance for ESFA income of £58,000 (2017: £65,000), local authority income of £35,000 (2017: £nil), lettings income of £7,000 (2017: £1,000), trip income of £62,000 (2017: £42,000) and music fee income of £8,000 (2017: £nil).

17. Funds

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	1,062	8,122	(8,282)	(211)	691
Other DfE grants	-	418	(418)	-	-
Local Authority Grant	-	500	(500)	-	-
Pension reserve	(1,842)	-	(294)	563	(1,573)
Other Income	-	307	(307)	-	-
	<u>(780)</u>	<u>9,347</u>	<u>(9,801)</u>	<u>352</u>	<u>(882)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	28,357	138	(509)	423	28,409
	<u>28,357</u>	<u>138</u>	<u>(509)</u>	<u>423</u>	<u>28,409</u>
Total restricted funds	<u>27,577</u>	<u>9,485</u>	<u>(10,310)</u>	<u>775</u>	<u>27,527</u>
Total unrestricted funds	<u>16</u>	<u>198</u>	<u>(2)</u>	<u>(212)</u>	<u>-</u>
Total funds	<u>27,593</u>	<u>9,683</u>	<u>(10,312)</u>	<u>563</u>	<u>27,527</u>

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

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

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.

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

Restricted fixed asset funds have increased by capital grants provided by the DfE and funds transferred from General Annual Grant for the acquisition of fixed assets. Restricted fixed asset funds have reduced by the depreciation charges.

Unrestricted funds have been increased by voluntary contributions from parents and letting income, and decreased by expenditure incurred in the operation of the multi academy trust.

LIFE Education Trust
Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

Comparative information in respect of the preceeding period is as follows:

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 August 2017 £000
Restricted general funds					
General Annual Grant (GAG)	988	7,872	(7,798)	-	1,062
Start Up Grant	-	25	(25)	-	-
Other DfE grants	-	374	(374)	-	-
Transfer on conversion	-	88	(88)	-	-
Local Authority Grant	-	526	(526)	-	-
Pension reserve	(2,164)	(360)	(222)	904	(1,842)
Other Income	-	220	(220)	-	-
	<u>(1,176)</u>	<u>8,745</u>	<u>(9,253)</u>	<u>904</u>	<u>(780)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	21,716	7,159	(518)	-	28,357
	<u>21,716</u>	<u>7,159</u>	<u>(518)</u>	<u>-</u>	<u>28,357</u>
Total restricted funds	<u>20,540</u>	<u>15,904</u>	<u>(9,771)</u>	<u>904</u>	<u>27,577</u>
Total unrestricted funds	<u>20</u>	<u>290</u>	<u>(294)</u>	<u>-</u>	<u>16</u>
Total funds	<u>20,560</u>	<u>16,194</u>	<u>(10,065)</u>	<u>904</u>	<u>27,593</u>

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	988	15,994	(16,080)	(211)	691
Start Up Grant	-	25	(25)	-	-
Other DfE grants	-	792	(792)	-	-
Transfer on conversion	-	88	(88)	-	-
Local Authority Grant	-	1,026	(1,026)	-	-
Pension reserve	(2,164)	(360)	(516)	1,467	(1,573)
Other Income	-	527	(527)	-	-
	<u>(1,176)</u>	<u>18,092</u>	<u>(19,054)</u>	<u>1,256</u>	<u>(882)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	21,716	7,297	(1,027)	423	28,409
	<u>21,716</u>	<u>7,297</u>	<u>(1,027)</u>	<u>423</u>	<u>28,409</u>
Total restricted funds	<u>20,540</u>	<u>25,389</u>	<u>(20,082)</u>	<u>1,679</u>	<u>27,527</u>
Total unrestricted funds	<u>20</u>	<u>488</u>	<u>(296)</u>	<u>(212)</u>	<u>-</u>
Total funds	<u>20,560</u>	<u>25,877</u>	<u>(20,378)</u>	<u>1,467</u>	<u>27,527</u>

LIFE Education Trust
Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £000	Total 2017 £000
Frances Bardsley Academy for Girls	503	953
Benhurst Primary School	145	125
Central services	43	-
Total before fixed assets and pension reserve	691	1,078
Restricted fixed asset fund	28,409	28,357
Pension reserve	(1,573)	(1,842)
Total before fixed assets and pension reserve	27,527	27,593

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding depreciation) £000	2018 Total £000	2017 Total £000
Frances Bardsley Academy for Girls	5,568	1,217	616	610	8,011	7,979
Benhurst Primary School	1,148	274	132	238	1,792	1,568
Academy Trust	6,716	1,491	748	848	9,803	9,547

18 Analysis of net assets between Funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Intangible fixed assets	-	-	28,403	28,403
Tangible fixed assets	-	-	6	1,156
Current assets	-	1,150	-	(459)
Current liabilities	-	(459)	-	(1,573)
Pension scheme liability	-	(1,573)	-	-
Total net assets	-	(882)	28,409	27,527

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Intangible fixed assets	-	-	28,281	28,281
Tangible fixed assets	17	1,456	76	1,549
Current assets	-	(395)	-	(395)
Current liabilities	-	-	-	-
Non-current liabilities	-	(1,842)	-	(1,842)
Pension scheme liability	-	(781)	-	-
Total net assets	17	(781)	28,357	27,593

LIFE Education Trust
Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

19 Capital Commitments

2018
£000

2017
£000

Contracted for, but not provided in the financial statements

5

20 Commitments under operating leases

Operating Leases

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

2018
£000

2017
£000

Other

Amounts due within one year

11

6

Amounts due between two and five years

14

-

25

6

21 Reconciliation of Net Income/(expenditure) to Net Cash Inflow from Operating Activities

2018
£000

2017
£000

Net income/(expenditure) for the year ended 31 August 2018

(66)

6,129

Adjusted for:

Depreciation

496

518

Loss on disposal of fixed assets

14

-

Assets transferred over from local authority

-

(6,267)

Capital grants from DfE/ESFA and other capital income

(138)

(322)

Interest receivable

(1)

(1)

Defined benefit pension scheme cost less contributions payable

246

171

Defined benefit pension scheme finance cost

48

51

(Increase)/decrease in debtors

76

(58)

Increase/(decrease) in creditors

(497)

108

Net Cash provided by / (used in) Operating Activities

178

329

22 Cash flows from investing activities

2018
£000

2017
£000

Purchase of tangible fixed assets

(631)

(455)

Capital grants from DfE Group

138

322

Net Cash provided by / (used in) Investing Activities

(493)

(133)

23 Analysis of cash and cash equivalents

2018
£000

2017
£000

Cash in hand and at bank

1,002

1,319

Total cash and cash equivalents

1,002

1,319

LIFE Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

24 Members' Liability

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

25 Pension and Similar Obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme 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 schemes.

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

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

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effect 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 of 3.0% in excess of prices and 2% in excess of earnings. The rate or real earnings growth is assumed to be 2.75%. The assumed normal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £668,000 (2017: £676,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £463,000 (2017: £439,000), of which employer's contributions totalled £371,000 (2017: £354,000) and employees' contributions totalled £93,000 (2017: £85,000). 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 an 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.

LIFE Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

25 Pension and Similar Obligations (continued)

Principal Actuarial Assumptions	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	2.50%	2.70%
Rate of increase for pensions in payment/inflation	2.50%	2.40%
Discount rate for scheme liabilities	2.75%	2.50%

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

	At 31 August 2018	At 31 August 2017
<i>Retiring today</i>		
Males	22.0	22.0
Females	24.2	24.2
<i>Retiring in 20 years</i>		
Males	23.9	23.9
Females	26.3	26.3

Sensitivity analysis	At 31 August 2018 £000	At 31 August 2017 £000
Salary rate +0.5%	70	73
Discount rate -0.5%	721	669
CPI rate +0.5%	645	587

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equity instruments	2,720	3,506
Gilts	1,464	795
Property	418	280
Cash and other liquid assets	628	93
Total market value of assets	5,230	4,674

LIFE Education Trust
Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

25 Pension and Similar Obligations (continued)

Local Government Pension Scheme (continued)

Amounts recognised in the statement of financial activities

	2018 £000	2017 £000
Current service cost	(616)	(525)
Interest income	116	81
Interest cost	(164)	(132)
Total amount recognised in the SOFA	<u>(664)</u>	<u>(576)</u>

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

	2018 £000	2017 £000
At 1 September	6,516	5,871
Conversion of academy trusts	-	724
Current service cost	616	525
Interest cost	164	132
Employee contributions	93	85
Actuarial (gain)/loss	(451)	(697)
Benefits paid	(135)	(124)
At 31 August	<u>6,803</u>	<u>6,516</u>

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

	2018 £000	2017 £000
At 1 September	4,674	3,707
Conversion of academy trusts	-	364
Interest income	116	81
Actuarial gain/(loss)	112	207
Employer contributions	370	354
Employee contributions	93	85
Benefits paid	(135)	(124)
At 31 August	<u>5,230</u>	<u>4,674</u>

26 Related Party Transactions

Owing to the nature of the academy trust 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 trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.

LIFE Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

27 Comparative Statement of Financial Activities

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2017 £000
Income and endowments from:				
Donations and capital grants	-	-	322	322
Transfer from Local Authority on conversion	-	(272)	6,837	6,565
Charitable activities:				
Funding for the academy trust's educational operations	-	9,016	-	9,016
Other trading activities	290	-	-	290
Investments	1	-	-	1
Total	291	8,744	7,159	16,194
Expenditure on:				
Charitable activities:				
Academy trust educational operations	294	9,253	518	10,065
Total	294	9,253	518	10,065
Net income / (expenditure)	(3)	(509)	6,641	6,129
Other recognised gains/(losses):				
Actuarial (losses) / gains on defined benefit pension schemes	-	904	-	904
Net movement in funds	(3)	395	6,641	7,033
Reconciliation of funds				
Total funds brought forward	20	(1,176)	21,716	20,560
Total funds carried forward	17	(781)	28,357	27,593