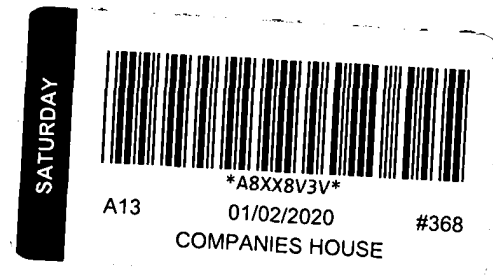

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019



BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
(A company limited by guarantee)

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BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members

R Bell
K Green
P Knight

Trustees

T Ashmore, Executive Principal and accounting officer
R Bell, Chair of Trust Board and Chair of Personnel and Standards Committee
D Carr
K Green, Vice Chair of Trust Board and Chair of Finance and Facilities Committee
A Hindhaugh
G Lake
D Sawford (resigned 20 March 2019)
L Sherwood-King
C Royden (appointed 11 December 2018, resigned 3 October 2019)
D O'Connor (appointed 26 March 2019, resigned 8 October 2019)
M Bonney (resigned 3 October 2018)

Company registered number

08156641

Company name

Bedford Inclusive Learning and Training Trust

Principal and registered office

Bedford Inclusive Learning and Training Trust
Manor Drive
Kempston
Bedford
Bedfordshire
MK42 7AB

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
(A company limited by guarantee)

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

Senior Management Team

T Ashmore, Executive Principal
K Dell, Head of School: Secondary Provision, Greys Education Centre
J Tift, Head of School: Primary Provision, Greys Education Centre
P Devereux, Head of Hospital and Hospital Outreach Education, Greys Education Centre
C Assink, Head of School, Grange Academy
A Drysdale, Head of School, St Johns Special School and College
M Page Godfrey, Trust Business Manager (Chief Financial Officer)

Independent auditors

Streets Audit LLP
Chartered Accountants
Potton House
Wyboston Lakes
Great North Road
Wyboston
Bedford
MK44 3BZ

Bankers

Natwest Bank Plc
81 High Street
Bedford
Bedfordshire
MK40 1YN

Solicitors

EMW
Seebeck House
1 Seebeck Place
Knowlhill
Milton Keynes
Buckinghamshire
MK5 8FR

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
(A company limited by guarantee)

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

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

The Trust company (formerly Greys Education Centre) was incorporated on 1 February 2013. The Trust operated with three schools during 2018/19 academic year:

Greys Education Centre.

St John's Special School and College (special converter) joined the Trust from 3 October 2016.

Grange Academy (special converter) joined the Trust from 1 September 2017.

All three schools provide education for students with complex and varied cognitive and physical lifetime challenges, students with a wide range of ability levels and additional learning needs, including moderate learning difficulties and autism, as well as those whose life experiences mean they are unable to access mainstream school provision for a period of time.

Structure, governance and management

a. Constitution

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

The charitable company's Memorandum and Articles of Association are the primary governing document of the Academy Trust.

The Trustees of Bedford Inclusive Learning and Training Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Bedford Inclusive Learning and Training Trust.

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

b. Members' liability

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

c. Trustees' indemnities

In accordance with normal commercial practice the Trust provides insurance to protect the Trustees from claims arising from negligent acts, errors or omissions whilst on Trust business, including the business of any of the Trust's schools. The Trust's risk protection arrangements limit this indemnity to £10,000,000.

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
(A company limited by guarantee)

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

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

New Trustees are appointed in accordance with the provisions in the articles of association, and any new Trustee will be made aware of the responsibilities in a briefing by the Chair of the Trust and the Chief Finance Officer.

Trustees are appointed for a four year period. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

The chairs of the Trust's committees will be appointed by the Trust. The Executive Principal will be a member of all committees. All other Trustees will be assigned to either the Finance and Facilities Committee or the Personnel and Standards Committee, but not both. The composition of the Governance, Compliance and Pay Committee is Trust Chair, Vice-Chair, Chair of Finance and Facilities, Chair of Personnel and Standards and the Chair of each of the Local Advisory Bodies. The initial composition of the Local Advisory Bodies shall be the previous members of that school's Trustees.

The Chief Financial Officer can attend all Trust Board and Committee meetings.

The Trust Board or Local Advisory Body may appoint non-trustees and non-governors to any of the committees providing that, on committees of the Trust Board, trustees form the majority of voting members of the committee, or in the case of Local Advisory Bodies, Governors (a) form the majority of the members of the committee; (b) are in the majority at any meeting of the committee; and (c) take the Chair-ship of the committee.

e. Policies adopted for the induction and training of Trustees

When appointing new Trustees consideration will be given to the skills and experience mix of existing members in order to ensure that the Trust has the necessary skills to contribute fully to the Trust's development.

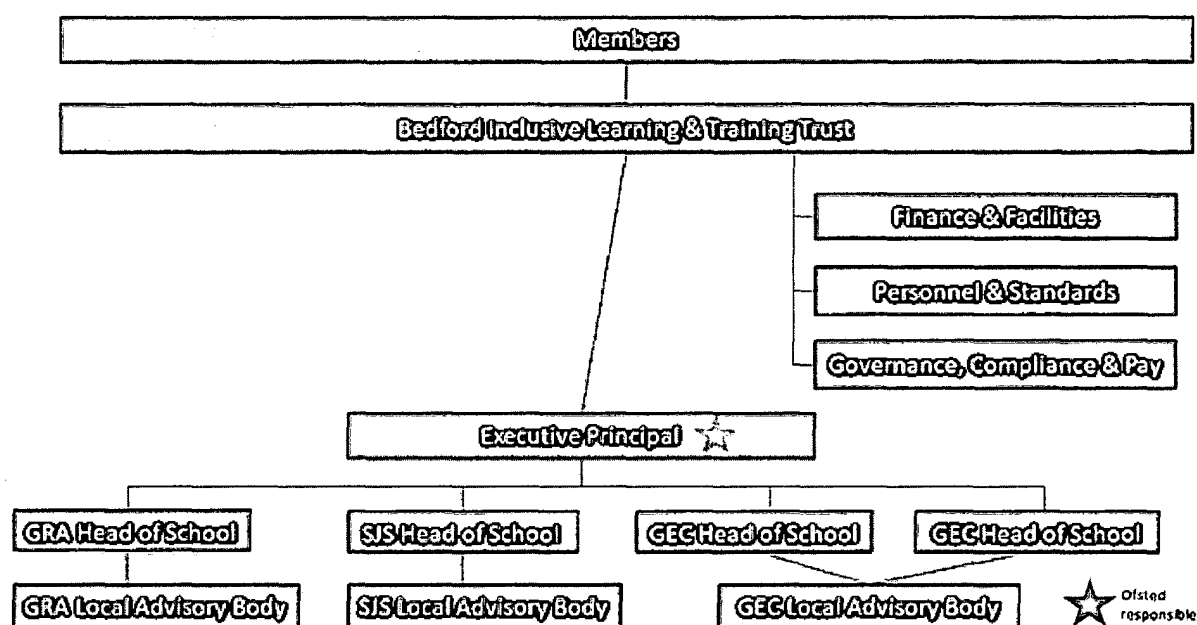
The training and induction provided for new Trustees will depend upon their existing experience but would always include safeguarding training, a tour of the schools within the Trust and the opportunity to meet existing Trustees, staff and pupils. As there are normally only one or two new Trustees a year, induction tend to be done informally and is tailored to the specific individual but would include their legal obligations under charity and company law, content of the articles, funding agreements, academies financial handbook, board minutes and other documents needed to undertake their role. Training courses delivered either in-house and/or externally will also be attended.

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
(A company limited by guarantee)

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

Structure, governance and management (continued)

f. Organisational structure



The members of the trust have a different status to trustees. Originally they will have been the signatories to the memorandum of association and will have agreed the trust's first articles of association. The members appoint trustees to ensure that the trust's charitable object is carried out and so must be able to remove trustees if they fail to fulfil this responsibility. Accordingly, the trust board submits an annual report on the performance of the trust to the members. Members are also responsible for approving any amendments made to the trust's articles of association.

The trustees are the charity trustees (within the terms of section 177(1) of the Charities Act 2011) and are responsible for the general control and management of the administration of the trust in accordance with the provisions set out in the memorandum and articles of association. The board of trustees is the body accountable for the performance of all schools within the trust and as such must:

- Ensure clarity of vision, ethos and strategic direction;
- Hold the executive to account for the educational performance of the schools and their pupils, and the performance management of staff; and
- Oversee the financial performance of the trust and make sure its money is well spent.

The trustees has established committees either with delegated authority to make decisions or for the purpose of providing advice and support, informing the overall work of the Board. However these committees are not legally responsible or accountable for statutory functions – the Board retains overall accountability and responsibility. The responsibilities of committees are set out in their terms of reference. The Board may appoint committee members and committee chairs.

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

The Executive Principal has the delegated responsibility for the operation of the trust including the performance of the trust's academies and so the Executive Principal performance manages the academy Heads of School. The Executive Principal leads the executive management team of the academy trust. The Executive Principal will delegate executive management functions to the executive management team and is accountable to the trust board for the performance of the executive management team.

A Head of School is responsible for the day to day management of the school and is accountable to the Executive Principal.

The Board will establish a Local Advisory Body in each school and will appoint the chair. The Local Advisory Body of a non-sponsored academy is permitted to set up such committees as it deems necessary to perform its functions efficiently and effectively.

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

The Trust's key management personnel's pay ranges are set following advice and guidance from Bedford Borough's HR team, the appropriate Union Bodies and with regard to the requirements of the School Teachers Pay and Conditions guidance document. All increments for teaching staff are dependent on performance management and the Trust has a clear process in place for new posts, staff appraisals and staffing structure changes.

The pay award of the Executive Principal is agreed by the Trust Board. Movements along the scale are determined at the Executive Principal's annual performance appraisal, conducted by the Chair, Vice Chair and Independent Advisor.

The pay awards of the Heads of School, with the the Executive Principal's support, agreed by the appropriate school's Local Advisory Body. The Trust's Business Manager role has been evaluated by Bedford Borough against NJC payscales and the Business Manager will increment each year until at top of scale.

h. Related parties and other connected charities and organisations

Owing to the nature of the Trust's operations and the composition of the Trust's Board, drawn from local public and private sector organisations it is possible that transactions will take place with organisations in which a member of the Trust may have an interest. All transactions involving such organisations will be declared and conducted at arm's length, in accordance with the Trust's financial regulations and normal procurement procedures.

During 2017/18 the Trust successfully applied to create a new free school working in collaboration with Challenger Multi Academy Trust. This is in line with its vision of excellence in the provision of specialist education with the aim of improving outcomes for their young people and their families and continuing to drive improvements to standards. Due to reasons beyond the Trust's control, the planning phase of the Free School has taken longer than anticipated. The anticipated opening date is September 2021.

Objectives and activities

a. Objects and aims

The Trust's vision is to maintain its already high standards and build a partnership of schools that will provide outstanding outcomes for the Trust's very special cohort of young people, both inside the classroom and in the wider community.

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
(A company limited by guarantee)

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

Objectives and activities (continued)

The Trust's focus is on world class, personalised provision, delivered by highly trained, skilled, knowledgeable and dedicated teams of professionals who are relentless in their pursuit of excellence.

The Trust, and its Senior Leadership Team, believes in a culture that is inwardly reflective and outward looking with a clear emphasis on building strong capacity to deliver excellence in all its forms. To this end the Trust is dedicated to the training and development of its teams to ensure up-to-date knowledge and skills thereby better enabling the Trust to deliver the very best outcomes for its young people, families and carers and the wider community. This emphasis on widening and broadening skills extends to all its partners in the community.

b. Objectives, strategies and activities

The key objectives for all the Trust's pupils are to:

- Provide a safe, healthy and happy school environment
- Value and respect all pupils, parents and staff
- Provide meaningful and motivating learning opportunities via a relevant curriculum
- Ensure that all pupils receive personalised learning for their individual needs
- Develop personalised communication forms to assist understanding and self - expression
- Promote positive self - esteem and respect for others
- Encourage pupils to express preferences, make choices and engage in decision making
- Work with families, professionals and staff as a team to meet the individual needs of each pupil
- Work in partnership with other schools & organisations to develop inclusion opportunities

The Trust is dedicated to ensuring its schools' core curriculum, governance, leadership and communications serve to support these values. It wants its schools to be places of excellence, but recognise the journey does not stop at the school gate. It also intends, therefore, to prepare its learners for life beyond school, which includes independent living and the ability to contribute to society.

Its 'family' of schools already provide for pupils with complex learning needs including PMLD, SLD, SEMH, MLD and ASC, from early years to the age of 19.

c. Public benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity's Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Trust and its academies aims and objectives and in planning its future activities.

Strategic report

Achievements and performance

a. Key performance indicators

Greys Education Centre

Primary

There were 23 pupils on role throughout the year with an additional 4 pupils on the role of the Hive, Bedford Borough's SEMH provision.

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

- Attendance figures was 88%. This was hugely affected by 1 pupil who was removed from school by parents but had to remain on Greys role as directed by the EWO service who were involved. Without this pupil attendance was 95.5%
- 86% of pupil premium pupils improved their attendance compared to attendance at their previous schools
- 85% of all pupils increased their attendance compared to their attendance at their previous school.
- 12 pupils started new schools and they are all currently still in these schools.

Progress Data	LTE	E	BTE	EOBTE
	Less Than Expected	Expected	Better Than Expected	Expected or Better Than Expected
Whole School Reading	20%	73%	7 %	80 %
Whole School Writing	25 %	73 %	7%	80 %
Whole School Maths	15%	75 %	10%	85 %

Secondary

- Throughout 2018-19 there were 67 pupils on role at Greys secondary provision.
- Attendance for 2018-19 was 87.8% showing continued improvements when compared to previous years
- 90% of pupils improved their attendance when compared with attendance to their previous school
- By end of year 2018-19, 100% of pupils successfully returned to school after a permanent exclusion and placement at Greys
- Fixed term exclusions remain low when compared to previous years (178 days-17/18), with a total of 29 days lost to FTE for 2018-19, this is as a result of a new approach to managing behaviour whereby pupils are internally excluded and restorative approaches used to resolve disciplinary issues

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Destinations-Post 16

Year 11 Leavers 2018/9	Number of students	Percentage
Further Education -college or sixth form	4	27%
Further Education – Traineeship with SSG	2	13%
Apprenticeship	4	27%
Princes' Trust Team Programme run by Bedford College.	2	13%
Employment	0	0%
HMP Young Offenders Institution	1	7%
NEET	0	0%
Out of county	2	13%
Total Students	15	100%

Outcomes, pupil progress & exam analysis at secondary

- In GCSE English, Maths and Science 75% of the cohort secured a Grade of 9-1 in all three subject areas
- 44% of students achieved a Grade 2 and above in English language and 10% of students achieved a Grade 4 or higher in English Literature
- Two students secured a Grade 4 or higher in Maths
- 86% of students passed 2 Science GCSES at Grade 2 and above
- 100% of our students achieved at least 1 accreditation

Curriculum –key developments:

We continue to develop and grow opportunities for outdoor and practical learning on the secondary site. Last year following appointment of new DT /ODL teacher we have developed the use of cycling and bike repair as part of the ODL offer as well as continuing to provide pupils with forest school type activities suitable for secondary aged pupils.

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

After losing and not replacing our Art teacher we now have a teacher whose specialism isn't Art delivering these lessons, who has a passion and enthusiasm for the subject able to engage and inspire pupils to produce art work of a good standard. We are looking to raise additional funding this year through a bid to the Harpur Trust to pay for an artist in residence to work alongside this member of staff once a week thus further enriching our curriculum offer in Art.

Ofsted have published a new framework for the inspection process and advice and guidance informs our curriculum offer going forward building on developments in 2018-19. For example, since the appointment of the new school counsellor we now deliver lessons to pupils, led by our counsellor, on wellbeing and emotional regulation to prepare them for their return to school, work or training on leaving us; tailoring our curriculum, its intent, to the specific needs of our cohort.

St Johns Special School and College

Since the inspection in June 2018, when St John's received their 5th successive Outstanding judgement in all areas, the school has continued to make progress against the objectives set and remains Outstanding in all areas. There has been significant pressure on staff wellbeing, however, due to the financial reductions that have been required this year there are fewer staff available to support our very complex children. Staff reductions have been achieved and the staff have shown excellent teamwork and professionalism at all levels to absorb the additional demands. We have also reorganised classes to sustain reduced staffing and promote pupil independence. Significant financial savings have been made while maintaining outstanding learning and progress. Progress remains outstanding across all EHCP areas and is outstanding for the majority of pupils. There is a slight decline in SEMH progress so this will be an even greater focus this coming year. St John's continue to work closely with our Trust partners to streamline operational processes. The Management of information (MIS) systems have now been installed and the admin team are being trained in their use, these include Staff Attendance Management, Appraisal, in Touch, SIMs Pay, Dinner and Attendance registers, Behaviour and SEND. We anticipate that this will be facilitate more efficient and rapid communication, information management and cash handling. It has been a project that has taken nearly a year to come to fruition and it will pull together HR, Finance and Communication under one platform in order to improve efficiency, communication and wellbeing.

While we have worked very closely with the Trust we retain our own distinct character and reputation as an outstanding Special school which fosters excellent communication and Interaction in all its forms. St John's is passionate about Pupil Voice and ensuring all are heard and can influence practice.

The leadership team have continued to work on the improvement areas suggested by Ofsted, which have closely matched those suggested by our own self evaluation. The SIP plan has been simplified and is based on detailed self evaluation and is generated collaboratively across the school. The new leadership team, including the Deputy Head have demonstrated a deep understanding of excellent teaching and learning and been successful in supporting staff to maintain this so pupil outcomes remain outstanding for all groups of pupils. Disadvantaged pupils perform equally to the other pupils. Teamwork remains strong and there is a commitment to maintaining and developing distributive leadership. Leadership is strong and there is high expertise across the organisation, supported by an excellent programme of CPD.

Our Outreach work, led by our Deputy Head has been very well received and has benefitted pupils with SEND in mainstream provisions. Our website development is now almost complete and will facilitate better communication with all parties, provide useful information regarding our facilities and curriculum. It will also be a key source of information for families as part of the Beds Borough Local Offer. We continue to have a strong working relationship with Beds Borough and its officers and are well supported by our Trustees and Local Advisory Board.

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Numbers on roll through 2018 / 19: 169

Overall attendance 2018/19 is 93%

- There is an outstanding quality of education
- There is strong ethos of teamwork
- All staff are committed to sustaining outstanding provision.
- A strong focus on strengthening leadership continues and school leaders are rigorously monitoring the impact of teaching on pupils' learning and progress
- Leaders are embedding the new system of self-evaluation and action planning which accurately identifies and builds on the strengths of the school while addressing development areas
- Staff work very closely with parents and carers. "I've loved this school since the day my child started. It is so well run, and the teachers are wonderful."
- Leaders continue to successfully address the areas for improvement since the previous inspection, in raising expectations for learning, developing best practice in the early years and simplifying the presentation of self-evaluation for staff and governors.
- Expectations for learning are high.
- Leaders across the school continue to drive improvement and are clearly demonstrating the capacity to develop the school further. Staff promote exceptionally well the pupils' personal development, including their spiritual, moral, social and cultural development. This is seen in the steady year-on year rise in attendance and the rapid growth in pupils' self-esteem since starting school.

Grange

Numbers on roll through 2018/19: 123

Pupil progress / accreditation / exam analysis / attainment and progress

Progress Data	LTE Less Than Expected	E Expected	BTE Better Than Expected	EOBTE Expected or Better Than Expected
Whole School Reading	11	40	49	89
Whole School Writing	13	40	47	87
Whole School Maths	6	64	30	94

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Year 11 and sixth form results:

Subject	Result
Art	5 GCSEs – TA (Grade 4), SA (Grade 3), TB (Grade 4), SW (Grade 3), JI (Grade 3) 5 ELCs – Entry 3
English	English Language - 5 GCSEs – SA (Grade 1), KF (Grade 3), KR (Grade 1), JI (Grade 1), GD (Grade 2) 5 Functional Skills Level 1 Passes: Year 11 – TA, TB, KF, RJ, GD 5 Functional Skills Level 1 Passes: Year 10 – RA, AB, LN, PX, 1 Functional Skills Level 1 Pass: Year 9 – TC
Food & Cookery	6 Level 1 Passes – Year 11 1 Level 1 Pass – Year 12
Maths	14 ELCs – TA (Entry 3), SA (Entry 3), TB (Entry 2), TC (Entry 2), KF (Entry 2), LF (Entry 2), JH (Entry 2), RJ (Entry 3), FM (Entry 2), KR (Entry 2), ZT (Entry 1), SW (Entry 2), JI (Entry 3), GD (Entry 3)
Science	1 GCSE – Grade 2/2 – Double Award 5 ELCs – TA (Entry 2), TB (Entry 3), KF (Entry 3), RJ (Entry 3), JI (Entry 3)
Science Today	12 Passes – Entry 2
PE	8 Passes: Year 11 – TA (Entry 3), TB (Entry 2), TC (Entry 3), KFr (Entry 2), LF (Entry 3), RJ (Entry 3), JI (Entry 2), GD (Entry 3) 7 Passes: Year 10 – RA (Entry 3), AB (Entry 2), LN, (Entry 3), AS (Entry 3), PX (Entry 2), CW (Entry 3) 1 Pass: Year 9 – TC(Entry 2)
PSE	3 Passes @ Level 1 Award

More entry level qualifications compared to previous year – cohort variations

Curriculum – key developments

- Grange Steps and target trackers now measure progress far more precisely and meaningfully. Also allows consistency.
- Assessment tracking system that teachers can use to gauge pupil progress and inform next steps in planning
- Curriculums being enhanced to ensure all pupils pathways are mapped and progressive.
- Work experience is linked to a relevant qualification and pupil interest.

Buildings and environment

- CIF bid for terrapins unsuccessful.
- Continued concerns over dilapidated buildings
- New CIF bid for fire prevention system.

Finances

- Review of Grange funding: An increase per pupil top-up funding rate at Band 2 from the current rate of £1,834 to a revised rate of £3,481 (45 pupils).

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Financial review

a. Reserves policy

The Trust reviews its reserve levels throughout the year. This review examines the income and expenditure streams against the forecasts to match commitments etc. and to identify any potential shortfall.

The Trust has determined the appropriate minimum level of free reserves should be the equivalent of one month's combined salary costs, equating to approximately £0.615m. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of income from the applicable streams or to provide a cushion for unexpected expenditure or emergencies. The Trust continues to undertake major and essential building works to increase its capacity as demand for places continues to rise. The Trust currently holds a further £0.500m of reserves as a contingency against future operating risk arising from a) an uncertainty of the necessary per pupil funding levels to meet future needs; b) the opening of a new free school within the Trust and c) any immediate and urgent major capital repairs arising from building or building service failure.

The total reserves held at 31 August 2019 are £3,881,792, made up of:

1. Unrestricted reserves of £620,682
2. Restricted funds of £503,079
3. TOTAL FREE RESERVES (Sum of 1 and 2 above) £1,123,761
4. Restricted Pension Reserve of (£4,561,000)
5. Restricted fixed asset funds of £7,319,031

b. Investment policy

It is the responsibility of the Trust's Business Manager (appointed chief financial officer) to generate as much bank interest as possible from any cash balances that the establishment may have.

The MAT has a banking arrangement that allows daily balances on each bank account to be 'swept' into an interest-bearing reserve account.

The Trust has a reserve policy that maintains a reserve account bank balance that is the equivalent of one month's combined salary costs that is held to cover the immediate impact of any business disruption. The Trust Investments must guarantee complete integrity of funds and be consistent with the ethos, aims and objectives of the establishment.

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST

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

Strategic report (continued)

Financial review (continued)

c. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Trust and its academies are exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academies, and its finances.

The Trust has implemented systems to assess the risks that the Trust and its academies face, especially in the operational areas (i.e. in relation to teaching, safeguarding, health and safety and bullying) and in relation to the control of finance.

The Trust has effective operational procedures (e.g. vetting of new staff, visitors, governors, safeguarding training, supervision of the grounds and buildings) and internal financial controls (as per below) in order to minimise risk.

It has a robust and effective system of internal financial controls and this is explained in more details in the following statement.

The Trust has ensured it has adequate cover to manage all risks. Professional advice (for example, from HR/occupational health and legal services) has also been sought when needed throughout the year.

The Trust deems the principal risks and uncertainties to be as detailed below:

1. Government funding

The major financial risk to the Trust is the nature of planned place funding, which is determined by the Local Authority returns to the Education and Skills Funding Agency, after consultation with the Academy. The Academy therefore has considerable reliance on continued government funding through the Education Skills and Funding Agency (ESFA) and the Local Authority.

This risk has and will be mitigated in a number of ways:

- Trustees and the Executive Principal have had to intervene to ensure that this consultation takes place and that the planned places are calculated on a proper and reasonable basis;
- Considerable focus and investment has been placed on establishing and managing key relationships with the various funding bodies and ensuring processes are in place for managing relationships in the future;
- Ensuring the Trust is focused on those priority sectors which will continue to benefit from public funding;
- Contingency planning embedded into the Trust's budget process.

2. Condition of Trust's Assets

The age of the buildings, their facilities and the incremental growth of the Trust's physical requirements. The Trust needs to continue to revise its buildings so that they are fit for purpose, to meet the current and future needs of the Trust.

This risk has and will be mitigated in a number of ways:

- Commissioned condition survey, from professional quantity surveyors, on the works needed, with associated cost and priority.
- Funding bids for capital – for major repairs and new building(s).
- The continuation of a substantial capital programme in 2018-19 and beyond from the Trust's own resources, including reserves.

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

3. Maintenance of adequate funding of pension liabilities

The financial statements report the share of the local government pension scheme deficit on the Trust's balance sheet in line with the requirements of FRS 102.

The Trust takes professional advice on this position and makes appropriate contributions on the basis of that advice to ensure the deficit does not become unmanageable.

The Trust has taken steps to prepare for Brexit based on risk assessments undertaken at each school and guidance from Bedford Borough and DfE to ensure nutritional standards and pupils' special dietary needs are met, allergens managed and pupils health needs continue to be supported.

Fundraising

The only fundraising undertaken by the schools has been for other charitable organisations (for example Mufti days) where all monies raised are passed on to the relevant charities without any deductions. The Trust does not employ anyone in a fundraising role or contract the services of any organisation to undertake such work on its behalf.

Plans for future periods

The Trust will continue to improve its level of performance to its students to improve their outcomes and to develop and support the Trust ethos and values learning.

The Trust's academies continually update their individual school development plans to react to changes on all levels to benefit its students and wider community.

The Trust's successfully application to create a new free school in 2017/18 is in line with its vision of excellence in the provision of specialist education with the aim of improving outcomes for their young people and their families and continuing to drive improvements to standards.

Greys Education Centre, St John's Special School and College and Grange will remain as a separate entity for government inspections but are now part of the Trust's legal framework with a single Trust Board.

A key element of the Trust's strategic outlook is to develop the free school. It will also further develop its 'outreach' provisions and the ability to deliver training to mainstream as well as special school colleagues. It has already developed strategies for support in a variety of provisions and is now developing stronger links with local teaching schools and the university in order to develop nationally recognised accreditation for teachers and support staff.

Funds held as custodian on behalf of others

The Trust and its Trustees do not act as the custodian Trustees of any other charity.

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
(A company limited by guarantee)

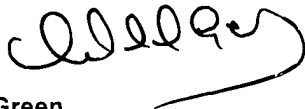
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 17 December 2019 and signed on its behalf by:



K Green
Chair of Finance and Facilities Committee

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the Executive Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Bedford Inclusive Learning and Training 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.

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

Trustee	Meetings attended	Out of a possible
T Ashmore, Executive Principal and accounting officer	4	4
R Bell, Chair of Trust Board and Chair of Personnel and Standards Committee	4	4
D Carr	4	4
K Green, Vice Chair of Trust Board and Chair of Finance and Facilities Committee	4	4
A Hindhaugh	2	4
G Lake	3	4
D Sawford	2	2
L Sherwood-King	2	2
C Royden	0	3
D O'Connor	2	2
M Bonney	0	0

The Governance Committee is a sub-committee of the main board of trustees to undertake regular reviews of its governance arrangements, including compliance, policy and pay to ensure they remain fit for purpose to meet the current and future needs of the Trust. This Committee also track the implementation of improvements as these are identified. As a minimum an annual review will be completed.

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance and Facilities Committee is a sub-committee of the main board of Trustees. Its purpose is to oversee finance, facilities and audit matters across the Trust, supported by each academy's Local Advisory Body.

Attendance during the Year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
K Green	4	4
T Ashmore	4	4
R Bell	3	4
M Bonney	0	0
A Hindhaugh	1	1
G Lake	4	4
L Shewood-King	4	4
D Sawford	2	2

The Personnel and Standards Committee is also a sub-committee of the main board of trustees. Its purpose is to oversee personnel and standards matters across the Trust, supported by each academy's Local Advisory Body.

Attendance during the Year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
R Bell	4	4
T Ashmore	4	4
D Carr	3	4
A Hindhaugh	3	4
D O'Connor	1	1
C Royden	1	1

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

Leadership

Developing a distributive leadership system across the Trust to broaden and strengthen the Trust's management and provide for succession planning at all levels.

Standardising

Developing centralised back office functions to enable more efficient and effective standardised procedures and practices thereby improving the support and resources available to teaching and learning. The Trust has made a significant investment in the IT infrastructure to enable this and to ensure it is prepared for its future development and expansion. In 2018/19 the Trust has reviewed its Finance structure in preparation for its future development and expansion and undergone an external review by way of an ESFA School Resources Management assessment to support its drive for efficiencies and effective operations.

Better Purchasing

The Trust holds contract registers, and all contracts are regularly reviewed and compared against other providers, in order to achieve the best price without compromising quality. In line with the Trust's delegation authority limits individual procurements over £1,000 must source a minimum of two quotes. All purchases over £10,000 must be recommended by the Senior Leadership Team, having sourced three written quotes, and taken to the Trust's Finance and Facilities Committee for approval. This ensures the various needs of all stakeholders are considered when making significant purchasing decisions, alongside comparisons on quality and price.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bedford Inclusive Learning and Training Trust for the Year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint MHA MacIntyre Hudson as internal auditor.

On a termly basis, the internal auditor 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 Trustees' financial responsibilities.

In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems and tendering process
- testing of income recording
- testing of accounting systems (account reconciliations)

Review of effectiveness

As accounting officer, the Executive Principal has responsibility for reviewing the effectiveness of the system of internal control. During the Year in question the review has been informed by:

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

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

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the board of Trustees on 17 December 2019 and signed on their behalf by:



R Bell
Chair of Trustees



T Ashmore
Accounting Officer

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Bedford Inclusive Learning and Training Trust I have considered my responsibility to notify the Academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

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



T Ashmore
Accounting Officer
Date: 17 December 2019

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

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

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

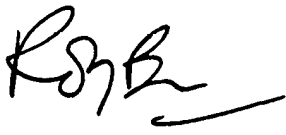
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the board of Trustees on 17 December 2019 and signed on its behalf by:


R Bell
Chair of Trustees

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

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

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST (CONTINUED)**

Responsibilities of trustees

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

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

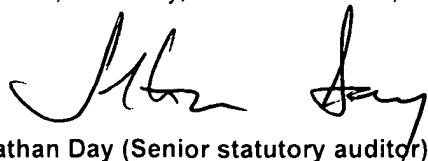
Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Jonathan Day (Senior statutory auditor)

for and on behalf of
Streets Audit LLP
Chartered Accountants
Statutory Auditors
Potton House
Wyboston Lakes
Great North Road
Wyboston
Bedford
MK44 3BZ

Date:

19 December 2019

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BEDFORD
INCLUSIVE LEARNING AND TRAINING TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 5 November 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bedford Inclusive Learning and Training Trust during the Year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Bedford Inclusive Learning and Training Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Bedford Inclusive Learning and Training Trust's funding agreement with the Secretary of State for Education dated 1 February 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the Year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BEDFORD
INCLUSIVE LEARNING AND TRAINING TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions included:

- Review of the Academy's systems and controls to ensure effective design;
- Confirmation of satisfactory operation of controls during the year, including authorisation of invoices, payments and salary adjustments;
- Review of a sample of expenses focussing on those nominal codes considered to include transactions of a greater risk;
- Review of the reports from internal scrutiny work undertaken during the year;
- Discussions with the finance team.

Conclusion

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



Jonathan Day (Senior statutory auditor)

Streets Audit LLP

Potton House
Wyboston Lakes
Great North Road
Wyboston
Bedford
MK44 3BZ

Date:

19 December 2019

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
(A company limited by guarantee)

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	-	12,777	58,140	70,917	2,567,940
Charitable activities	4	-	8,574,774	-	8,574,774	8,200,430
Other trading activities	5	50,018	-	-	50,018	39,464
Investments	6	3,135	-	-	3,135	701
Total income		53,153	8,587,551	58,140	8,698,844	10,808,535
Expenditure on:						
Charitable activities	7	-	8,898,285	568,726	9,467,011	9,591,848
Total expenditure		-	8,898,285	568,726	9,467,011	9,591,848
Net movement in funds before other recognised gains/(losses)		53,153	(310,734)	(510,586)	(768,167)	1,216,687
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	22	-	(1,487,000)	-	(1,487,000)	1,039,000
Net movement in funds		53,153	(1,797,734)	(510,586)	(2,255,167)	2,255,687
Reconciliation of funds:						
Total funds brought forward		567,529	(2,260,187)	7,829,617	6,136,959	3,881,272
Net movement in funds		53,153	(1,797,734)	(510,586)	(2,255,167)	2,255,687
Total funds carried forward		620,682	(4,057,921)	7,319,031	3,881,792	6,136,959

The Statement of financial activities includes all gains and losses recognised in the Year.

The notes on pages 33 to 57 form part of these financial statements.

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST**(A company limited by guarantee)****REGISTERED NUMBER: 08156641****BALANCE SHEET
AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	7,200,666	7,532,894
		<u>7,200,666</u>	<u>7,532,894</u>
Current assets			
Debtors	15	227,706	304,450
Cash at bank and in hand		1,253,939	1,195,108
		<u>1,481,645</u>	<u>1,499,558</u>
Creditors: amounts falling due within one year	16	(239,519)	(345,493)
Net current assets		<u>1,242,126</u>	<u>1,154,065</u>
Total assets less current liabilities		<u>8,442,792</u>	<u>8,686,959</u>
Net assets excluding pension liability		<u>8,442,792</u>	<u>8,686,959</u>
Defined benefit pension scheme liability	22	(4,561,000)	(2,550,000)
Total net assets		<u><u>3,881,792</u></u>	<u><u>6,136,959</u></u>


BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	7,319,031	7,829,617
Restricted income funds	17	503,079	289,813
Restricted funds excluding pension asset	17	7,822,110	8,119,430
Pension reserve	17	(4,561,000)	(2,550,000)
Total restricted funds	17	3,261,110	5,569,430
Unrestricted income funds	17	620,682	567,529
Total funds		3,881,792	6,136,959

The financial statements on pages 29 to 57 were approved by the Trustees, and authorised for issue on 17 December 2019 and are signed on their behalf, by:


R Bell
Chair of Trustees


T Ashmore
Accounting Officer

The notes on pages 33 to 57 form part of these financial statements.

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	19	58,262	387,871
Cash flows from investing activities	20	569	(79,793)
Change in cash and cash equivalents in the Year		58,831	308,078
Cash and cash equivalents at the beginning of the Year		1,195,108	887,030
Cash and cash equivalents at the end of the Year	21	<u>1,253,939</u>	<u>1,195,108</u>

The notes on pages 33 to 57 form part of these financial statements

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Bedford Inclusive Learning and Training Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

BEDFORD INCLUSIVE LEARNING AND TRAINING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.3 Income

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

- **Legacies**

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

- **Grants**

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

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

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

- **Donations**

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

1.4 Expenditure

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

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

1. Accounting policies (continued)

1.4 Expenditure (continued)

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 Tangible fixed assets

Assets costing £10,000 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 and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Freehold property	- 2% on cost or valuation
Long term leasehold property	- Over the remaining useful economic life
Furniture and equipment	- 20% per annum straight line basis
Plant and machinery	- 25% per annum straight line basis
Computer equipment	- 25% per annum straight line basis

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

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**NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities

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

1.11 Financial instruments

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

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

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

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

1. Accounting policies (continued)

1.12 Pensions

Retirement benefits to employees of the Academy 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 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the Academy 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.

1.13 Fund accounting

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

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

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

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

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2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The annual depreciation charge for each class of tangible fixed asset is based on an estimate of the useful economic life of the respective assets. This is reviewed periodically by the governors to ensure that they reflect both the external and internal factors.

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	-	12,777	-	12,777	88,593
Capital Grants	-	-	58,140	58,140	481,174
Net assets of Grange Academy transferred into MAT	-	-	-	-	1,998,173
	-	12,777	58,140	70,917	2,567,940
Total 2018	80,319	(341,199)	2,828,820	2,567,940	

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

4. Funding for academy's educational operations

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants			
General Annual Grant (GAG)	3,596,792	3,596,792	3,496,390
Other DfE/ESFA Grants	248,181	248,181	247,918
	<u>3,844,973</u>	<u>3,844,973</u>	<u>3,744,308</u>
Other government grants			
Local Authority Grants	4,558,416	4,558,416	4,311,393
	<u>4,558,416</u>	<u>4,558,416</u>	<u>4,311,393</u>
Other funding			
Other Income	171,385	171,385	144,729
	<u>171,385</u>	<u>171,385</u>	<u>144,729</u>
	<u><u>8,574,774</u></u>	<u><u>8,574,774</u></u>	<u><u>8,200,430</u></u>

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Facilities and services	43,428	43,428	27,569
Course income	6,590	6,590	11,895
	<u>50,018</u>	<u>50,018</u>	<u>39,464</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Interest received	3,135	3,135	701

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Academy's educational operations:					
Direct costs	5,994,277	-	352,234	6,346,511	6,442,058
Allocated support costs	1,738,603	668,832	713,065	3,120,500	3,149,790
	<u>7,732,880</u>	<u>668,832</u>	<u>1,065,299</u>	<u>9,467,011</u>	<u>9,591,848</u>
<i>Total 2018</i>	<u>7,588,686</u>	<u>665,325</u>	<u>1,337,837</u>	<u>9,591,848</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Academy's educational operations	6,346,511	3,120,500	9,467,011	9,591,848
<i>Total 2018</i>	<u>6,442,058</u>	<u>3,149,790</u>	<u>9,591,848</u>	

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

Analysis of direct costs

	Activities 2019 £	Total funds 2019 £	Total funds 2018 £
Staff costs	5,700,699	5,700,699	5,575,230
Educational supplies	266,497	266,497	295,492
Staff development	81,387	81,387	178,782
Agency costs	293,578	293,578	366,579
Student Transport	4,350	4,350	25,975
	<u>6,346,511</u>	<u>6,346,511</u>	<u>6,442,058</u>

Analysis of support costs

	Activities 2019 £	Total funds 2019 £	Total funds 2018 £
Pension income	63,000	63,000	80,000
Staff costs	1,738,603	1,738,603	1,646,877
Depreciation	334,793	334,793	358,596
Maintenance of premises and equipment	289,709	289,709	346,400
Rent and rates	22,521	22,521	26,447
Heat and light	122,669	122,669	123,149
Insurance	21,015	21,015	21,655
Printing, postage and stationery	41,816	41,816	51,423
Catering	46,815	46,815	50,353
Other costs	124,922	124,922	176,811
Technology	65,576	65,576	72,276
CIF expenditure on major building improvements	233,933	233,933	169,329
Governance costs	15,128	15,128	26,474
	<u>3,120,500</u>	<u>3,120,500</u>	<u>3,149,790</u>

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

9. Net income/(expenditure)

Net income/(expenditure) for the Year includes:

	2019 £	2018 £
Depreciation of tangible fixed assets	334,794	358,596
Fees paid to auditors for:		
- audit	12,500	13,500
- other services	1,500	852
	<u>348,794</u>	<u>372,948</u>

10. Staff costs

a. Staff costs

Staff costs during the Year were as follows:

	2019 £	2018 £
Wages and salaries	5,591,165	5,238,195
Social security costs	460,622	495,395
Pension costs	1,387,515	1,469,707
	<u>7,439,302</u>	<u>7,203,297</u>
Agency staff costs	293,578	366,579
Staff restructuring costs	-	18,810
	<u>7,732,880</u>	<u>7,588,686</u>

Staff restructuring costs comprise:

	2019 £	2018 £
Severance payments	-	18,810
	<u>-</u>	<u>18,810</u>

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

10. Staff costs (continued)

b. Staff numbers

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

	2019 No.	2018 No.
Management	7	7
Teachers	68	69
Other	237	281
	<u>312</u>	<u>357</u>

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Management	7	7
Teachers	51	60
Other	149	151
	<u>207</u>	<u>218</u>

c. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	1	1
	<u>5</u>	<u>4</u>

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior leadership team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their service to the academy trust was £521,889 (2018 £513,830).

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Central services

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

12. Trustees' remuneration and expenses

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

	2019	2018
	£	£
T Ashmore, Executive Principal and accounting officer	90,000 -	90,000 -
	95,000	95,000
Pension contributions paid	15,000 -	10,000 -
	20,000	15,000

During the Year, retirement benefits were accruing to 1 Trustees (2018 - 1) in respect of defined benefit pension schemes.

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

13. Trustees' and Officers' insurance

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

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14. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2018	3,148,601	4,828,339	387,354	141,143	2,000	8,507,437
Additions	-	-	2,566	-	-	2,566
At 31 August 2019	3,148,601	4,828,339	389,920	141,143	2,000	8,510,003
Depreciation						
At 1 September 2018	109,673	614,912	167,720	80,238	2,000	974,543
Charge for the Year	51,876	167,200	83,833	31,885	-	334,794
At 31 August 2019	161,549	782,112	251,553	112,123	2,000	1,309,337
Net book value						
At 31 August 2019	2,987,052	4,046,227	138,367	29,020	-	7,200,666
At 31 August 2018	3,038,928	4,213,427	219,634	60,905	-	7,532,894

15. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	37,290	67,392
Other debtors	37,609	75,175
Prepayments and accrued income	152,807	161,883
	<u>227,706</u>	<u>304,450</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	50,480	245,652
Other creditors	-	17,291
Accruals and deferred income	189,039	82,550
	<u>239,519</u>	<u>345,493</u>

	2019 £	2018 £
Deferred income at 1 September 2018	3,154	8,523
Resources deferred during the Year	82,652	3,154
Amounts released from previous periods	(3,154)	(8,523)
	<u>82,652</u>	<u>3,154</u>

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

17. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	567,529	53,153	-	-	-	620,682
Restricted general funds						
General Annual Grant (GAG)	159,636	3,596,792	(3,401,396)	-	-	355,032
Other DfE/ESFA Grants	19,611	248,181	(189,347)	-	-	78,445
Local Authority Grants	4,647	4,558,416	(4,554,688)	-	-	8,375
Music Therapy Income	55,538	1,000	(26,281)	-	-	30,257
Donation	50,381	12,777	(46,347)	-	-	16,811
Other Income	-	170,385	(156,226)	-	-	14,159
Pension reserve	(2,550,000)	-	(524,000)	-	(1,487,000)	(4,561,000)
	<u>(2,260,187)</u>	<u>8,587,551</u>	<u>(8,898,285)</u>	<u>-</u>	<u>(1,487,000)</u>	<u>(4,057,921)</u>
Restricted fixed asset funds						
Tangible Fixed Assets	7,532,894	-	(334,794)	2,566	-	7,200,666
DfE/ESFA Capital Grant	7,206	58,140	-	(2,566)	-	62,780
CIF Grants (Grange)	289,517	-	(233,932)	-	-	55,585
	<u>7,829,617</u>	<u>58,140</u>	<u>(568,726)</u>	<u>-</u>	<u>-</u>	<u>7,319,031</u>
Total Restricted funds	<u>5,569,430</u>	<u>8,645,691</u>	<u>(9,467,011)</u>	<u>-</u>	<u>(1,487,000)</u>	<u>3,261,110</u>
Total funds	<u>6,136,959</u>	<u>8,698,844</u>	<u>(9,467,011)</u>	<u>-</u>	<u>(1,487,000)</u>	<u>3,881,792</u>

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

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

General Funds:

The Academy's general fund represents income and expenditure relating to activities undertaken by the Academy as part of its charitable activities. The Academy can then use these funds for any purpose.

Restricted Funds:

The Academy received a number of grants during the year for the purpose of providing educational services to its pupils. These funds included grants from the ESFA for the General Annual Grant (GAG) and Pupil Premium and from the Local Authority. These grants have been used for staff costs, educational resources and general costs incurred in the running of the Academy.

Pension Reserve - As stated in note 22 the Academy is a participating employer in two defined benefit pension schemes. The liabilities relating to the trust can only be determined for one of these schemes. A separate reserve has been included to show the impact of the changes in valuation of this pension scheme.

Restricted Fixed Assets Funds:

The Academy received capital funding which has been, in part, spent on capital with a balance remaining to be carried forward. Assets which are capitalised in the accounts are represented by a separate fund within the Restricted Fixed Assets reserves.

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

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

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Greys Education Centre	596,255	256,221
St John's Special School and College	202,965	442,356
Grange Academy	324,541	158,765
Total before fixed asset funds and pension reserve	1,123,761	857,342
Restricted fixed asset fund	7,319,031	7,829,617
Pension reserve	(4,561,000)	(2,550,000)
Total	3,881,792	6,136,959

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Greys Education Centre	1,527,170	466,262	50,738	206,621	2,250,791	2,463,297
St John's Special School and College	3,065,505	995,195	139,967	466,240	4,666,907	4,652,977
Grange Academy	1,401,602	340,146	75,792	396,980	2,214,520	2,116,978
Total	5,994,277	1,801,603	266,497	1,069,841	9,132,218	9,233,252

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17. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	447,045	120,484	-	-	-	567,529
Restricted general funds						
General Annual Grant (GAG)	50,236	3,532,598	(3,734,929)	311,731	-	159,636
Other DfE/ESFA Grants	-	247,918	(228,307)	-	-	19,611
Local Authority Grants	-	4,311,393	(4,306,746)	-	-	4,647
Music Therapy Income	55,538	-	-	-	-	55,538
Donation	-	88,593	(38,212)	-	-	50,381
Other Income	-	144,729	(144,729)	-	-	-
General Annual Grant Transferred from St John's	362,216	-	-	(362,216)	-	-
Pension reserve	(2,512,000)	(466,000)	(611,000)	-	1,039,000	(2,550,000)
	<u>(2,044,010)</u>	<u>7,859,231</u>	<u>(9,063,923)</u>	<u>(50,485)</u>	<u>1,039,000</u>	<u>(2,260,187)</u>
Restricted fixed asset funds						
Tangible Fixed Assets	5,463,351	2,347,646	(358,596)	80,493	-	7,532,894
DfE/ESFA Capital Grant	14,886	22,328	-	(30,008)	-	7,206
CIF Grants (Grange)	-	458,846	(169,329)	-	-	289,517
	<u>5,478,237</u>	<u>2,828,820</u>	<u>(527,925)</u>	<u>50,485</u>	<u>-</u>	<u>7,829,617</u>

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17. Statement of funds (continued)

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Total Restricted funds	3,434,227	10,688,051	(9,591,848)	-	1,039,000	5,569,430
Total funds	3,881,272	10,808,535	(9,591,848)	-	1,039,000	6,136,959

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	7,200,666	7,200,666
Current assets	620,682	742,599	118,365	1,481,646
Creditors due within one year	-	(239,520)	-	(239,520)
Provisions for liabilities and charges	-	(4,561,000)	-	(4,561,000)
Total	620,682	(4,057,921)	7,319,031	3,881,792

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	7,532,894	7,532,894
Current assets	567,529	635,306	296,723	1,499,558
Creditors due within one year	-	(345,493)	-	(345,493)
Provisions for liabilities and charges	-	(2,550,000)	-	(2,550,000)
Total	567,529	(2,260,187)	7,829,617	6,136,959

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19. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2019 £	2018 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(768,167)	1,216,687
Adjustments for:		
Depreciation	334,793	358,596
Interest receivable	(3,135)	(701)
Defined benefit pension scheme obligation inherited	-	466,000
Defined benefit pension scheme cost less contributions payable	461,000	531,000
Defined benefit pension scheme finance cost	63,000	80,000
Decrease/(increase) in debtors	76,744	(110,211)
(Decrease)/increase in creditors	(105,973)	194,145
Assets inherited	-	(2,347,645)
Net cash provided by operating activities	58,262	387,871

20. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	3,135	701
Purchase of tangible fixed assets	(2,566)	(80,494)
Net cash provided by/(used in) investing activities	569	(79,793)

21. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	1,253,939	1,195,108
Total cash and cash equivalents	1,253,939	1,195,108

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22. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Bedfordshire Pension Fund. 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

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

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

Valuation of the Teachers' Pension Scheme

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

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

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22. Pension commitments (continued)

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

The employer's pension costs paid to TPS in the Year amounted to £366,955 (2018 - £360,754).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the Year ended 31 August 2019 was £703,000 (2018 - £709,000), of which employer's contributions totalled £545,000 (2018 - £559,000) and employees' contributions totalled £ 158,000 (2018 - £150,000). The agreed contribution rates for future years are 24.21 per cent for employers and varying per cent for employees.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	2.5	2.6
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.9	2.8

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	20.7	22.4
Females	23.2	24.5
<i>Retiring in 20 years</i>		
Males	21.7	24.0
Females	24.7	26.2

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22. Pension commitments (continued)

Sensitivity analysis

	2019 £000	2018 £000
Discount rate -0.1%	(284,000)	(250,000)
Mortality assumption - 1 year increase	382,000	217,000
CPI rate +0.1%	245,000	263,000

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	5,014,000	3,600,000
Corporate bonds	1,127,000	869,000
Property	683,000	559,000
Cash and other liquid assets	337,000	1,179,000
Total market value of assets	7,161,000	6,207,000

The actual return on scheme assets was £185,000 (2018 - £140,000).

The amounts recognised in the Statement of financial activities are as follows:

	2019 £	2018 £
Current service cost	(956,000)	(1,081,000)
Past service cost	(50,000)	(9,000)
Interest cost	(63,000)	(80,000)
Total amount recognised in the Statement of financial activities	(1,069,000)	(1,170,000)

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22. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	8,757,000	6,699,000
Transferred in on existing academies joining the trust	-	1,545,000
Current service cost	956,000	1,081,000
Interest cost	248,000	220,000
Employee contributions	158,000	150,000
Actuarial losses/(gains)	1,478,000	(893,000)
Benefits paid	75,000	(54,000)
Past service costs	50,000	9,000
At 31 August	11,722,000	8,757,000

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

	2019 £	2018 £
At 1 September	6,207,000	4,187,000
Transferred in on existing academies joining the trust	-	1,079,000
Interest income	185,000	140,000
Actuarial (losses)/gains	(9,000)	146,000
Employer contributions	545,000	559,000
Employee contributions	158,000	150,000
Benefits paid	75,000	(54,000)
At 31 August	7,161,000	6,207,000

23. Operating lease commitments

At 31 August 2019 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	9,095	9,095
Later than 1 year and not later than 5 years	11,807	20,902
	20,902	29,997

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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. Related party transactions

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

The following related party transactions took place in the period of account, as well as certain trustees' remunerations already disclosed in note 12:

The husband of J Tift (Head of School Primary Provision, Greys Education Centre) was employed by the Academy until April 2018. The employee was appointed following the standard staff recruitment policy. During the year the value of remuneration was £Nil (2018 £25,000 - 30,000). In the current year amounts totalling £9,610 were paid to a business controlled by K Tift.

The husband of A Drysdale (Head of School, St John's Special School and College) was paid £220 for the supply of fitness equipment.