

Company Registration No. 10267656 (England and Wales)

BERLESDUNA ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE PERIOD ENDED 31 AUGUST 2017

BERLESDUNA ACADEMY TRUST

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BERLESDUNA ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Eileen Patching (Chair of Trustees) (Appointed 7 July 2016)
Sean Tobin (Accounting Officer) (Appointed 7 July 2016)
Colin Moore (Appointed 7 July 2016)
Steven West (Appointed 7 July 2016)
Susan Segger (Appointed 7 July 2016)
Robin Taverner (Appointed 1 October 2016)
Martin Pretlove (Appointed 1 October 2016 and resigned 1 October 2016)
Martin Noon (Appointed 1 October 2016)

Members

Eileen Patching
Martin Pretlove
Margaret Marshall
Patrick White

Senior management team

- Sean Tobin
- Courtney Freese
- Nina Kemp
- Nicola Berry
- Lucy Wheatley (resigned 12 October 2017)
- Lisa Alderson (appointed 1 November 2017)

Chief Executive Officer
Headteacher (Willows Academy)
Headteacher (Whitmore Academy)
Headteacher (Merrylands Academy)
Trust Business Manager
Trust Business Manager

Company registration number

10267656 (England and Wales)

Academies operated

Error

Merrylands Primary School and Nursery
Whitmore Primary School and Nursery
Willows Primary School and Nursery

Location

Basildon
Basildon
Basildon

Chief Executive Officer

Nicola Berry
Nina Kemp
Courtney Freese

Independent auditor

UHY Hacker Young
Quadrant House
4 Thomas More Square
London
E1W 1YW

Bankers

Lloyds Bank Plc
PO Box 1000
BX1 1LT

BERLESDUNA ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Winkwood Sherwood
Minerva House
5 Montague Close
London Bridge
SE1 9BB
United Kingdom

BERLESDUNA ACADEMY TRUST

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2017

The Trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 7 July 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the company's Memorandum and Articles of Association, applicable laws and 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 published on September 2015 (FRS102).

The Academy Trust operates 3 primary academies in Basildon, Essex. Its academies have a combined pupil capacity of 1,716 and had a roll of 1,678 in the school census on November 2016.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Academy Trust was incorporated on 7th July 2016, in the name of Berlesduna Academy Trust, and Merrylands Primary, The Willows Primary and Whitmore Primary commenced as academies on 1st October 2016. The Academy Trust has entered into a funding agreement with the Department for Education which provides the framework within which the Academy must operate. The charitable company is known as Berlesduna Academy Trust.

The trustees of Berlesduna Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the period are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

In accordance with the Articles of Association, subject to the provisions of the Companies Act 2006 and Article 6.3 every Trustee or other officer or auditor of the Company and every member of any Local Governing Body and/or Advisory Body (in so far as necessary) shall be indemnified out of the assets of the Company against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

BERLESDUNA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

Method of recruitment and appointment or election of Trustees

The initial members of the Trust shall be the subscribers to the Memorandum of Association.

The subsequent Members of the Trust shall comprise:

- the signatories of the Memorandum
- those appointed by the Members through the passing of a Special Resolution

There must be at least 3 Members at all times.

Trustees are appointed by the members through an ordinary resolution or can be co-opted by existing Trustees. The board must include a minimum of two parent Trustees, and no more than a third of the board can be staff Trustees. There must be no more than 10 and no fewer than 3 Trustees on the board at all times.

When required, new Trustees may be approached for recruitment through Academy Ambassadors.

The Secretary of State for Education may appoint trustees in certain circumstances; no such appointments were made in the year under review.

The term of office for any Trustee shall be 4 years, save that this time limit shall not apply to either the Principal or the staff Trustee. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

A Trustee shall cease to hold office if he resigns his office by notice to the Academy (but only if at least 4 Trustees will remain in office when the notice of resignation is to take effect).

A Trustee shall cease to hold office if he is removed by the person or persons who appointed him. The Article does not apply in respect of a Parent Trustee.

Policies and procedures adopted for the induction and training of Trustees

Trustees are provided with copies of all essential documentation needed to undertake their role, including the memorandum and articles of association, Academies Financial Handbook and Academy Trust's Funding Agreement.

A Trustee Handbook with key information is available for all Trustees. This includes such aspects as:

- the structure of the academy and the relationship with the board of Trustees
- a statement of values and expectations
- key elements of effective governance and the link to the Ofsted Handbook
- the committee structure of the board of trustees
- a brief description of the role of the chair and the role of the clerk/company secretary
- terms of reference for committees

The board of trustees subscribes to EES Governor, HR and Finance Provision and in-house training is organised as and when required. Trustees are informed of external training opportunities.

New Trustees are mentored by existing Trustees.

BERLESDUNA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

Organisational structure

The board of Trustees of Berlesduna Academy Trust is constituted under the Memorandum and Articles of Association. The board of Trustees is responsible for ensuring high standards of corporate governance are maintained.

Trustees (Directors) Board

The Trustees are responsible for the strategic direction of the Academy Trust, setting policy and agreeing the annual budget. Trustees are also responsible for monitoring the work of the Trust and ensuring the objectives of the Trust are achieved. The Board of Trustees (Directors) is responsible for setting high standards and levels of student achievement and for monitoring performance and ensuring accountability. It is tasked with driving continuous improvement through regular review planning and evaluation activities. It also manages corporate communication and stakeholder engagement. Once strategies have been agreed, the Board delegates most operational activity to the Executive Leadership Team. There are also Trust standing committee's which have duties to support the Board in these responsibilities, to focus on the delivery of the vision against the Trust's standards and engage with stakeholders internally and externally to ensure that the needs are being met.

Finance, Personnel, Premises and Audit Committee

In addition to the full board of Trustees meetings, Berlesduna Academy Trust has a finance, personnel and audit committee. The committee's core functions cover all financial services and other resources including human resources and facilities. It has a critical role in overseeing budget formulation, monitoring, and treasury management. The financial functions extend into value for money and procurement. It also covers all matters relating to human resources including staff related performance management/review, disciplinary, under-performance and capability issues, continuing professional development, attendance, welfare and quality of work-life. The committee also receives and considers in detail the statutory accounts for the Trust and recommends them to the Board of Directors for approval prior to presentation to the Trust Members at the AGM. It recommends the appointment of the external auditors to the Board of Directors for subsequent approval by the Trust Members at the AGM. It also has a wider brief covering asset management, facilities management, lettings, information technology, and health and safety.

Local Governing Body

The Board also has established committees known as 'local governing bodies' for each school within the Trust. Their role is to oversee all matters relating to pupils' learning and wellbeing. The core function of a local governing body covers all factors which relate to, and underpin, good teaching and learning. It has a critical role in monitoring the progress and impact of personalised learning interventions to ensure high standards and pupil outcomes in line with the Trust's vision and strategy. Each of the schools within the Trust has a maximum of nine governing body members, comprising:

- Headteacher/Head of School
- 2 staff governors
- At least 2 co-opted/community governors
- At least 2 parent governors

Trust Executive Leadership Team

The Executive Leadership Team has corporate responsibility for the overall formulation and implementation of strategies and policies approved by the Directors. It comprises the Chief Executive Officer, Trust Business Manager and the Headteacher/Head of School from each school.

BERLESDUNA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

Chief Executive Officer (CEO)

The CEO's role is to support the substantive Headteacher and Head of School in their role and to assist in the development of staff across the schools and identify ways in which the Trust can facilitate, provide and develop school improvement. Is responsible for the day to day operation of the Trust and is accountable to the Directors. The CEO will lead the strategic and operational development of the Teaching School Alliance and work alongside the NQT leads of each alliance school within the Trust.

Trust Business Manager (TBM)

The Trust Business Manager will report directly to the CEO of the Academy Trust. The Business Manager is part of the Senior Leadership Team at Trust level and will be expected to work in collaboration with senior leaders across the Trust. The core purpose of the role is to strategically lead and manage the business innovation, financial, premises, personnel and administrative aspects of the schools and will play a significant role in meeting the needs of other schools that may consider joining the Trust in the future.

Leadership in Schools

Each school within the Trust will have its own structure of leadership depending on its own particular circumstance and context.

The Trust Pupil Voice

The Trust Pupil Voice gives the pupils the opportunity to share their views with both the Trust and the schools. Made up of two ambassadors from each school, the Pupil Voice follow a self-developed Pupil Voice Charter, which forms their ethos and structure which themselves and future ambassadors will work by. The ambassadors will represent their school and allow the pupils to share their views with the Trust and which will give them the opportunity to work together with pupils from the family of schools. The purpose of the Trust's Pupil Voice is:

- To represent pupils' views from the schools
- To reach out to and work with, the schools, The Trust and beyond
- To make one small idea part of one big decision for everyone and improve all of the schools within the Trust
- To see everyone as equal and be democratic
- To form an established pupil voice in each school, under The Trust

The Trust Pupil Voice meets half termly and will be joined by the Chief Executive Officer of The Trust.

The Chief Executive is the 'Accounting Officer' of Berlesduna Academy Trust.

Arrangements for setting pay and remuneration of key management personnel

The setting of pay and remuneration for the Chief Executive is conducted by the Chair of the Trust and two other Trustees as part of the Performance Management Cycle. Once this is conducted the Chief Executive and Chair of each local Governing Body set the pay of individual Headteachers as part of their performance management cycle. Each Headteacher carries out the performance management of their staff with the support of the CEO and recommendations are put to each Local Governing Body Pay Committee. The CEO sets the pay and remuneration for centralised staff.

BERLESDUNA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

Related parties and other connected charities and organisations

The schools in the Berlesduna Academy Trust are members of the Basildon Education Partnership (BEP), a registered charity created and driven by Basildon Headteachers to deliver a high-quality school improvement and continuing professional development programme to all member schools. The partnership is based on the belief that all schools prosper best when working together, enabling each to draw on the potential and capacity of all other schools in Basildon, regardless of their legal status.

Through collaborative and cluster-based working, BEP schools continue to build on the excellent track record of school improvement of the Basildon Excellence Panel, led by Sir Mike Tomlinson, OBE (ex Chief Inspector of Schools, England and Wales) and BEST, with over 90% of Basildon primary pupils now attending schools that are rated by OFSTED as good or outstanding.

This progress and rate of improvement reflects the schools' commitment to each other, and to Basildon pupils - delivering school improvement through mutual challenge, support and sharing of expertise. This is supplemented by drawing upon external and national expertise.

Strong governance is the key to BEP achieving its objectives. BEP's governance structure includes:

A Board of Trustees to oversee the organisation, the overall strategy, the effectiveness of the model for improving educational outcomes for Basildon youngsters, financially secure credible and accountable, and ensuring a national and regional profile of best practice;

An Executive Trustee (the CEO of Berlesduna Trust) to manage the organisation's strategic plan;

A School Improvement Panel to monitor and evaluate the programme of activities and interventions;

Basildon Primary School Headteachers to develop BEP services in accordance to national and local education agendas and individual school priorities.

BEP aims to further develop a school-to-school collaborative model of educational support and challenge in Basildon which focuses on pupil achievement and school improvement, enabling Basildon youngsters to raise their expectations and aspirations.

BERLESDUNA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

Objectives and activities

Objects and aims

The Academy Trust's objects ("the Objects") are specifically restricted to the following:

- a. To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum ("the Mainstream Academies") or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the Alternative Provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies");
- b. To promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Objectives, strategies and activities

On our journey to deliver against the 3-year corporate objectives in 2016 - 17 we will focus on the following:

1. Enhancing the governance of the Trust Board
2. Improving the local governing body to ensure better performing academies
3. School improvement and effectiveness (with a particular focus on the teaching of Reading)
4. Financial management, business efficiencies & effectiveness

Public benefit

The activities undertaken to further the academy trust's purposes for the public benefit are:

- Berlesduna Academy Trust has provided education to all registered students;
- Partnerships with local Primary schools have been established and maintained. Primary school students have attended educational activities at the Academy; including sporting, debating, drama and maths Trust competitions, school induction program for new intakes, and varied sporting activities hosted by the Academy; and residential visits to the Isle of Wight and various educational visits.

The Trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

BERLESDUNA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

Equal Opportunities and Disabled persons policies (Equalities Policy)

The Academy Trust's policy on equal opportunities outlines the commitment of the staff and Governors of Berlesduna Academy Trust to ensure that equality of opportunity is available to all members of the Trust community. For our Trust this means, not simply treating everybody the same but, understanding and tackling the different barriers which could lead to unequal outcomes for different groups of students in the School. It also means celebrating and valuing the equal opportunity achievements and strengths of all members of the School community. These include:

- Students
- Teaching staff
- Support staff
- Parents/carers
- Community governors
- Multi-agency staff linked to the Trust
- Visitors to the Trust and academies
- Students on placement

The trustees believe that equality at the Trust should permeate all aspects of Trust life and is the responsibility of every member of the Trust and wider community. Every member of the Trust community should feel safe, secure, valued and of equal worth.

At Berlesduna Academy Trust, equality is a key principle for treating all people the same irrespective of their gender, ethnicity, disability, religious beliefs, sexual orientations, age or any other recognised area of discrimination.

Berlesduna Academy Trust is an Equal Opportunities Employer and is committed to the employment of people with disabilities and guarantees an interview for those who meet minimum selection criteria. Berlesduna Academy Trust provides training and development for all its employees, including people with disabilities, tailored where appropriate, to ensure they have the opportunity to achieve their potential. If a Berlesduna Academy Trust employee becomes disabled while in our employment, Berlesduna Academy Trust will do its best to retain them, including consulting them about their requirements, making reasonable and appropriate adjustments, and providing alternative suitable provisions.

Employee Information Policy

Each Academy includes 1 staff member on its board and has the CEO as ex-officio Governor. This ensures that:

- Employees' views are taken into account on decisions affecting their interests; and
- There is a common awareness on the part of all employees of all factors that affect the academy trust's performance

Berlesduna Academy Trust also undertakes discussions with employees and their unions when making decisions that affect employee interests to ensure that employees' views are reflected in decisions made and their interests are protected.

BERLESDUNA ACADEMY TRUST**TRUSTEES' REPORT (CONTINUED)****FOR THE PERIOD ENDED 31 AUGUST 2017****Strategic report****Achievements and performance****School Outcome 2016 -17**

Subject	Merrylands Results		Willows Results		Whitmore Results	
	2016	2017	2016	2017	2016	2017
EYFS GLD	79%	80%	68%	68%	65%	63%
Year 1 Phonics – pass	80%	81%	79%	75%	71%	81%
Year 2 All pupil achieving the phonics standards	95%	91%	95%	97%	75%	84%
Year 2 Reading – at least expected standard	82%	84%	79%	78%	63%	64%
Year 2 Writing – at least expected standard	80%	78%	59%	60%	63%	58%
Year 2 Maths – at least expected standard	78%	80%	70%	75%	73%	61%
Year 2 Science – at least expected standard	88%	92%	76%	81%	60%	61%
Year 6 Reading – at least expected standard	54%	81%	56%	86%	38%	46%
Year 6 Writing TA – at least expected standard	83%	88%	70%	84%	55%	44%
Year 6 Maths – at least expected standard	63%	87%	70%	88%	53%	34%
Year 6 Science TA – at least expected standard	88%	81%	75%	84%	67%	46%
Year 6 Combined Reading, Writing and Maths – at least expected standard	41%	78%	51%	84%	27%	24%
Year 6 Grammar, Punctuation, Spelling – at least expected standard	71%	92%	72%	90%	52%	46%
Attendance	97%	97%	95%	95%	96%	96%

BERLESDUNA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

School Targets 2017-18

Subject	Merrylands Targets 2018	Willows Targets 2018	Whitmore Targets 2018
EYFS GLD	80%	70%	68%
Year 1 Phonics - Pass	85%	82%	85%
Year 2 All pupil achieving the phonics standards	92%	100%	90%
Year 2 Reading – at least expected standard	85%	75%	72%
Year 2 Writing – at least expected standard	80%	70%	65%
Year 2 Maths – at least expected standard	82%	74%	75%
Year 2 Science – at least expected standard	85%	74 %	80%
Year 6 Reading – at least expected standard	81%	78%	60%
Year 6 Writing – at least expected standard	81%	80%	60%
Year 6 Maths – at least expected standard	81%	80%	60%
Year 6 Science – at least expected standard	81%	80%	60%
Year 6 Combined Reading, Writing and Maths – at least expected standard	78%	78%	50%
Year 6 Grammar, Punctuation, Spelling – at least expected standard	81%	85%	60%
Attendance	97%	96%	96%

BERLESDUNA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

Pupil Premium Grant Funding

The Pupil Premium Grant is additional funding given to publicly funded schools in England to raise the attainment of disadvantaged pupils and close the gap between them and their peers. It is a grant which is allocated to schools based on the number of children entitled to free school meals, children who are looked after and service family children.

At each of our academies we believe that teaching and learning opportunities must meet the needs of all the pupils to ensure we provide the very highest standards of education for every child. It is also our belief that we want to provide children with opportunities they may not always have, particularly for those children who may be socially disadvantaged. We recognise that not all pupils who are socially disadvantaged are registered or qualify for free school meals therefore we endeavour to fund support for any pupil or groups of pupils the school has identified as being socially disadvantaged.

The Willows Primary School and Nursery

Objectives of spending Pupil Premium Grant in 2016/17 at Willows were:

- that the gaps between Pupil Premium children and their peers close in reading, writing and maths across the school for progress and attainment
- that KS1 phonics tests in Y1 and retakes in Y2 are above national figures
- that end of KS1 results are above national for reading, writing and maths
- that end of KS2 results are above national for reading, writing and maths.

The attainment of the Year 2 pupils was satisfactory, but gaps still need to decrease. The targets set for this year and the changes made to staffing will ensure that there will be an upward trajectory in all the data. PP children have attained well and continue to improve because of the teacher's intervention and extra support in the classes. The attainment in Year 3 is below the schools expected standard. This year group is the lowest achieving reception year group and needs more intervention. Changes to improve attainment in 2017-2018 have already been addressed. The attainment in Year 4 is below our schools expected standard. This year group is our lowest achieving reception year group and needs more intervention. Changes to improve attainment in 2017-2018 have already been addressed. This year group also have booster sessions to improve their attainment in 2017-2018. Year 5 has been our most difficult year group with the PP children especially being difficult to work with. Booster sessions for this year group have started already and our aim is to maintain the high SATs scores of 2016-2017. This has been our most successful data to date in year 6. The processes, early booster and outstanding teaching have been the main reasons for this attainment. The schools aim is to maintain this level of attainment.

Merrylands Primary School and Nursery

The Objectives of spending Pupil Premium in 2016/17 at Merrylands were:

- that the gaps between Pupil Premium children and their peers close in reading, writing and maths across the school for progress and attainment
- that KS1 phonics tests in Y1 and retakes in Y2 are above national figures
- that end of KS1 results are above national for reading, writing and maths
- that end of KS2 results are above national for reading, writing and maths.

BERLESDUNA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

The gaps between Pupil Premium and their peers are closing across the school in terms of progress on reading, writing and maths. With the only exception, of Year 4 Pupil Premium pupils making slightly less progress than their peers in Writing and Maths. KS1 Phonics tests in Year One were in-line with National (81%) and 91% of children achieved the expected standard by the end of Year 2. KS1 results were above national expectations.

Whitmore Primary School and Nursery

The Objectives of spending Pupil Premium (PP) in 2016/17 at Whitmore were:

- that the gaps between Pupil Premium children and their peers close in reading, writing and maths across the school for progress and attainment
- that KS1 phonics tests in Y1 and retakes in Y2 are above national figures
- that end of KS1 results are above national for reading, writing and maths
- that end of KS2 results are above national for reading, writing and maths
- that attendance for all pupils is above National Average

The gaps between PP and non PP children are beginning to close throughout the school in many subjects. The gaps are sporadic and not confined to specific year groups or subjects. Overall data is low for many year groups and this is reflected in the Non pupil premium comparisons. KS1 Phonics tests in Year One were 81% which was in-line with National (81%) and 84% of children achieved the expected standard by the end of Year 2. KS1 results were below national expectations. KS2 results were well below national expectations. Attendance was just below national expectations – 95.5%

Key performance indicators

As a newly formed Trust we did not receive any OFSTED Inspections this year but outcomes against national expectations were stated in the previous section. Our journey is for all schools in our Trust to be recognised as outstanding by OFSTED and Merrylands and The Willows are on track for this. Whitmore is at the beginning of the process but targets for 2017/18 reflect the optimism that the school is on track to be at least Good when inspected.

The Trustees regularly review Berlesduna Academy Trust's actual income and expenditure against the authorised budget. Changes to the budget to reflect new information with regard to income or expenditure are approved in line with the authorisation limits established in the Berlesduna Academy Trust Financial Regulations.

Ratio analysis and benchmarking is performed annually to ensure that the Academy is applying its resources efficiently and effectively to achieve the best possible educational outcomes.

Going concern

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

BERLESDUNA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

Financial review

The majority of Berlesduna Academy Trust's income is derived from the Education and Skills Funding Agency (EFA), an agent of the Department for Education (DfE), in the form of recurrent grants, the use of which is limited to specific purposes. The grants received from the EFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The results for the year are shown on the Statement of Financial Activities.

Total incoming resources in the year ended 31 August 2017 amounted to £25,435,272. Of this £17,927,889 related to funds inherited on conversion of the 3 academies into the Trust, and £740,062 related to other capital income. The total revenue income in the year ended 31 August 2017 was £6,767,311.

Total resources expended in the same period amounted to £7,187,467. This includes operating charges in respect of the local government pension scheme totalling £658,000 as advised by the actuary and a depreciation charge for the period of £296,114.

Total net outgoing expenditure for the period was therefore £18,247,805.

After accounting for the net actuarial gain of £154,000 on the local government pension scheme as calculated by the scheme actuary, the overall net increase in the Trust's fund balances was £18,401,805. Accordingly, the group balance sheet as at 31 August 2017, as shown on page 37, shows total funds of £18,401,805.

Reserves policy

The Academy Trust considers it prudent for academy schools to maintain a level of usable reserves sufficient to cover unexpected and unplanned events so that the academy's primary objective is preserved. At the same time the Trustees wish to ensure that it uses its funding to benefit the students in its care which implies an imperative to consider actively the use of reserves to enhance educational provision.

In deciding the level of reserves trustees will take into account the following

- Uncertainty, turbulence or expected reduction in funding arrangements
- Impact of Pension and HMRC changes on employer payroll costs
- The need for any large project spend to include facilities development, ICT investment or building condition needs
- Fluctuations in pupil numbers, particularly falling roll numbers
- Cash flow issues
- The trust's consolidated annual budget

BERLESDUNA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

A programme to build reserves must be agreed and clearly documented as part of the budget setting process, by the Headteacher, Head of Trust Finance and Local Governing Body, in conjunction with the CEO.

- The academy schools must monitor the progress of its reserve schedule and provide a report to the Trustees with the annual Budget Forecast Return.
- The Trustees expect academy schools to have appropriate levels of reserves, within three years of academy conversion.

Restricted Reserves

Restricted Revenue Reserves are represented by the main funding for the academy which is the General Annual Grant and other central funding streams, Local Authority funding and other Government grants/income that are received for a specific project or purpose i.e. Pupil Premium, UIFSM, PE & Sports Grant etc. These funds are restricted for the use according to the funding agreements of donors' instructions.

Local Reserves

The trustees have determined that:

- The appropriate level of 'general' reserves to be held locally, at the academy schools, for non-earmarked expenditure must equate to a minimum of 2% and should not exceed 6% of the academy's total restricted funding, to provide sufficient working capital to cover delays in the spending and receipt of grants and to provide a cushion for unexpected emergencies.
- The academies should accumulate a local 'staff' contingency, equating to a minimum of 2% of the academy's total restricted funding, to meet unexpected/non-budgeted staffing costs or bridge establishment restructuring, including redundancy payments/costs etc.
- The academies should accumulate a local 'premises' contingency (excluding specific capital project contributions), equating to a minimum of 2% of the academy's total restricted funding, to meet unexpected maintenance work or site development not covered within the annual budget.
- The Trustees consider a capital reserve programme for the replacement of ICT equipment appropriate, to reduce the budgetary impact, in any single year, of large scale capital investment.
 - i) Academy schools should prepare a three to five year 'rolling' programme to ensure ICT hardware and infrastructure is replaced/maintained to ensure up to date and effective technology is embedded throughout the school.
 - ii) The appropriate level of 'ICT' reserve is to be determined by the Headteacher, Trust Business Manager and Local Governing Body with supporting narrative in the schools' budget documentation.

Unrestricted Reserves

Unrestricted local reserves are made up of the academies' activities for generating funds, investment income and other donations which are expendable at the discretion of the trustees in furtherance to achieve the objectives of the school. Academies are encouraged to demonstrate how unrestricted reserves are to be utilised by means of its school development and financial management plans.

Reporting and Monitoring

The LGB are responsible for ensuring that the level and use of reserves is agreed and monitored.

- Each academy will include a programme for building/maintaining reserves as part of its budget planning and benchmarking process.
- Each academy will maintain a medium term financial forecast which will show how end of year reported reserves will be utilised.

BERLESDUNA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

Appeals Process

Berlesduna Academy Trust will have due regard to the funding needs and allocation of each individual academy, ensuring there is a fair distribution of funds to support the Trusts educational objectives. If an Headteacher/Head of School wishes to challenge the level of funding received they should first appeal to the CEO.

Reserves

As at 31 August 2017, total reserves amounted to £18,401,805. This total includes total general reserves of £682,585 which consists of the restricted general reserves of £468,459 and the unrestricted general funds, which are effectively the Trust's free reserves. At the year end date, unrestricted general funds were in surplus by £214,126.

Total reserves as at 31 August 2017 also recognised a liability in respect of the Trust's share in the Local Government Pension Scheme deficit of £3,203,000. As the Local Government Pension Scheme is a funded scheme, employers' pension contributions will increase in line with the deficit over a period of years. The Trust will not be liable for a lump sum and the increased pension contribution will be met from the Trust's budgeted annual income. Accordingly, there is no direct impact on the free reserves of the Trust in recognising the deficit on the pension scheme.

Investment policy and powers

Academy trustees will ensure that investment risk is properly managed. When considering whether to make an investment, trustees will:

- Act within their powers to invest, as set out in our articles of association
- Exercise caution in all investments, reducing risk and ensuring that the trust acts with the utmost integrity
- Take investment advice from a professional adviser, as appropriate
- Ensure that exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximisation
- Ensure that all investment decisions are in the best interests of the trust and command broad public support

Trustees will seek prior approval from the Education and Skills Funding Agency for investment transactions that are novel or contentious.

Novel transactions are those of which the academy trust has no experience, or are outside the range of normal business activity for the trust.

Contentious transactions are those which might give rise to criticism of the trust by Parliament, the public, and the media.

We only invest funds in low risk and easily-accessible accounts. Funds will be placed in bank accounts with a withdrawal notice of no more than 12 weeks. Risk is managed through diversification of investments, ensuring that the security of funds takes precedence over revenue maximization. Funds will only be placed with banking institutions that are regulated by the Financial Conduct Authority and with good credit ratings.

BERLESDUNA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

Principal risks and uncertainties

Organisations will face some level of risk in most of the things they do. The diverse nature of the education sector means that Berlesduna Academy Trust faces different types of risk and levels of exposure. For example, in a period of economic uncertainty, the major financial risks for Berlesduna Academy Trust are likely to be:

- Changes to EFA funding, including a reduction in pupil placement funding and Education Services Grant
- Changes to the Local Authority commissioning arrangements for children with special educational needs
- Changes to terms and conditions of employees as part of national or local pay settlements
- Increased liability costs on employers e.g. increased NI or pension costs.

Generally, risk will need to be considered in terms of the wider environment in which the Trust operates. The financial climate, society and its attitudes, the natural environment and changes in the law and Government policy, technology and knowledge will all affect the types and impact of the risks that the Trust is exposed to.

The education sector is one in which there is constant change and therefore there is continual need to identify and address risks and uncertainty. The responsibility to identify and react to risk rests with the Trustees and Senior Leadership Team.

The Trust has adopted a policy whereby risks are monitored on a likelihood and impact basis. As such, the key risks facing the Trust are detailed below:

Categories of Risk

Risk Category	Examples
Governance risks	Inappropriate organisational structure Directors/governors lack relevant skills or commitment Conflicts of interest
Operational risks	Changes in local authority strategy for SEND provision Poor staff recruitment and training Doubt about security of assets
Financial risks	Inaccurate and/or insufficient financial information Inadequate reserves and cash flow dependency on limited income sources Reduced funding from EFA/Local Authority Insufficient insurance cover
External risks	Poor public perception and reputation Demographic changes such as an increase in the size of key stage cohort Turbulent economic or political environment Changing government policy
Compliance with law and regulation	Acting in breach of trust Poor knowledge of the legal responsibilities of an employer Poor knowledge of regulatory requirements e.g. failure of schools Meeting at least 'Good' standards as per Ofsted inspection framework Failure to adhere to requirements of SEND Code of Practice.

BERLESDUNA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

Following identification of the risks that a Trust might face, a decision will need to be made about how they can be most effectively managed. The Board of Directors have adopted this risk management policy to help them make decisions about the levels of risk that can be accepted on a day to day basis and what matters need to be referred to them for decision.

There are four basic strategies that can be applied to manage an identified risk:

- transferring the financial consequences to third parties or sharing it, usually through insurance or outsourcing
- avoiding the activity giving rise to the risk completely, for example by not bringing another school into the Trust or stopping a particular activity or service
- management or mitigation of risk
- accepting or assessing it as a risk that cannot be avoided if the activity is to continue. An example of this might be where the Board take out an insurance policy that carries a higher level of voluntary excess or where the Trust recognises that a core activity carries a risk but take steps to mitigate it - public use of a school property would be such a risk

Although there are various tools and checklists available, the identification of risks is best done by involving those with a detailed knowledge of the way the Trust and its constituent schools operate, and therefore Headteachers and Local Governing Bodies are pivotal.

The Trust will keep a risk register which will be a working document owned by the Trust Board, with delegated responsibilities for on-going review and oversight passed to the Audit and Risk Committee.

The risk identification process, whilst focusing on the risk to the Trust itself, is therefore also likely to include identifying risks that may arise in individual school as well as Trust-wide activities.

Directors may seek to ensure that Local Governing Bodies adopt similar risk management procedures to those of the Trust Board, with the results being incorporated into the overall risk management processes of the Trust.

Risk Management

Where major risks are identified, the Board will make sure that appropriate action is being taken to manage them, including an assessment of how effective the existing controls are.

For each of the major risks identified, the Board will consider any additional action that needs to be taken to manage the risk, either by lessening the likelihood of the event occurring, or lessening its impact if it does.

Once each risk has been evaluated, the Board will draw up a plan for any steps that need to be taken to address or mitigate significant or major risks. This action plan and the implementation of appropriate systems or procedures allow the Board to make a risk management statement in accordance with the regulatory requirements.

Risk management is aimed at reducing the 'gross level' of risk identified to a 'net level' of risk, in other words, the risk that remains after appropriate action is taken.

BERLESDUNA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

The Board are required to form a view as to the acceptability of the net risk that remains after management. In assessing additional action to be taken, the costs of management or control will generally be considered in the context of the potential impact or likely cost that the control seeks to prevent or mitigate.

It is possible that the process may identify areas where the current or proposed control processes are disproportionately costly or onerous compared to the risk they are there to manage. A balance must be struck between the cost of further action to manage the risk and the potential impact of the residual risk.

Good risk management is also about enabling organisations to take opportunities and to meet urgent need, as well as preventing disasters. For example, an organisation may not be able to take advantage of technological change in the absence of a reserves policy that ensures there are adequate funds.

Risk management is a dynamic process ensuring that new risks are addressed as they arise. It should also be cyclical to establish how previously identified risks may have changed.

Risk management is not a one-off event and should be seen as a process that will require monitoring and assessment. Senior leaders must take responsibility for implementation.

A successful process will involve ensuring that:

- new risks are properly reported and evaluated
- risk aspects of significant new projects are considered as part of project appraisals
- any significant failures of control systems are properly reported and actioned
- there is an adequate level of understanding of individual responsibilities for both implementation and monitoring of the control systems
- any further actions required are identified
- the Board consider and review the annual process
- the Board are provided with relevant and timely interim reports

To provide a systematic means of compliance, the Trust will hold a risk register. The register seeks to pull together the key aspects of the risk management process. It schedules gross risks and their assessment, the controls in place and the net risks, and can identify responsibilities, monitoring procedures and follow up action required.

On-going monitoring and assessment of the risk register will be delegated by the Trust Board to the Audit and Risk Committee. This Committee, in turn, may delegate some duties to a school Local Governing Body.

Terms of reference for this committee will be published on the Trust website, and will be subject to annual review.

BERLESDUNA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

Financial and risk management objectives and policies

The Academy Trust has a formal risk management process in place to identify and assess all risks associated with the organisation; this enables the instigation of risk mitigation strategies. A Risk Register is in place which is subject to regular review and made available to all staff. Key members of staff and Trustees are involved in the preparation of the Risk Register, overseen by the Finance and Audit Committee. All members of staff are aware of the risk management policy and the controls in place to limit exposure to risk. The Risk Register identifies the types of risk the Academy Trust might encounter and rates the risks in terms of likelihood and impact. This ensures that the most significant risks are highlighted, appropriate strategies to be implemented and the allocation of resources.

As the majority of the Academy Trust's funding is derived from the ESFA, via the Department for Education, the Trustees consider this element of funding to be reasonably secure. The most significant risks relating to this income result from changing government policy on school funding, the effect of increasing contribution rates for stakeholder pensions and NI rebate deletion, and the effect of changing pupil numbers. The Trustees have laid out their strategies for dealing with these risks within the Academy Trust's risk register.

Financial Instruments

Credit Risk

The Trust considers its credit risk to be low due to the nature of its business. Any loan requested would be presented to the Governing Body for authorisation. The Trust has no loans at this time.

Cash flow and liquidity

Risks to liquidity and cash flow are minimal as bank accounts are reviewed regularly. The Reserve Policy in place ensures cash would be available as it is required.

BERLESDUNA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

Plans for future periods

Vision Statement

The vision of the Berlesduna Academy Trust is to create and foster a culture of high aspiration, enjoyment for learning, academic success and lifelong skills amongst all pupils, regardless of their social, economic or cultural background.

Aims and Values

Our aim is to become a strong local partnership of schools. Whilst we aim to build a strong and cohesive identity, we recognise that each school within the Trust has its own unique characteristics. Collaboration and joint working ensure that all schools in the Trust can share in, and benefit from, each other's strengths. The aim as a multi academy trust is to work together to:

- Make a positive difference to the lives of the pupils;
- Have an unflinching commitment to closing the gap between high and low performers within the schools; and
- Transform the learning conditions of others so that growth, commitment, engagement, and constant spawning of leadership in others is being fostered

Trust Objectives 2016 - 2019

The Trust has clear strategic aims built on our mission and values. Our three-year corporate business plan sets out the following objectives to ensure that, as a Trust, all stakeholder groups understand and have belief in our approach. We will deliver:

Corporate Governance: This will be done through the provision of a Board of Directors that acts in the best interests of the Trust and governs lawfully in accordance with its Articles of Association. The Directors will demonstrate clear governance arrangements and visionary leadership to enhance and embed effective working relationships. The Board will ensure there are effective support structures in place to deliver: a clear oversight of the academy operations, appropriate support structures for sustainability and achieve the best possible economies.

School Improvement - Teaching & Learning: This will be delivered through ensuring that our academies provide the very best teaching in order to promote and provide high quality learning for the pupils. The Trust will put effective support in place for teachers to achieve this aim.

Continued Professional Development: We will implement a CPD programme for our academies to ensure that the staff have the right skills to further raise standards, deliver consistently good teaching and learning and disseminate good practice to ensure rapid improvement.

Integrated Support and Shared Services: We will ensure that the Trust has business arrangements that are efficient, effective and enables it to deliver on its commitments. We will include strategies to grow, prosper and deliver value for money across all operations. We will strive to ensure the consistent delivery of best practice, minimisation of risk and also for management of resources to be concentrated to the front line of the academies.

Quality Assurance: We will ensure that there is a rigorous and robust programme of Quality Assurance that helps to support teachers, build expertise and capacity and raise standards in the academies to deliver positive outcomes for pupils.

BERLESDUNA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

Objectives 2017-18

On the journey to deliver against the 3-year corporate objectives in 2017-18 focus will be on the following:

- enhancing the governance within the Trust
- school improvement and effectiveness (with a particular focus on developing leadership)
- to develop a more efficient and effective business model based on business principles

Developing Trust Central Operations

A key strategy is to promote and develop the Trust and also the services we offer to a wider cohort of schools. This means that the academies can focus on improving teaching and learning along with delivering educational excellence. We will work across a range of partnerships, including a small core central team and include professional partners to share good practice and jointly procure services to bring about better value for money and economies of scale. Our approach will be to:

- identify the key services required by schools joining the Trust and develop clear specifications for commissioning such services
- develop a prospectus detailing a range of approved and trusted providers and services to support the academies
- work closely with relevant partners, including Essex and BEP, to understand the range of strategies which they can utilise to support their schools but continue to develop clear Trust services
- develop and document the offer and entry criteria to each type of school likely to consider joining the Trust

School Improvement Strategy

The aim is to support each of the schools to be judged by Ofsted as at least 'Good' with the capacity to become 'Outstanding'. Once per year, each of the schools will be subject to an Ofsted style review of its work involving the CEO and external consultants. Formal reviews of each school's progress towards agreed targets are presented to the respective Local Governing Body of each school on a regular (termly) basis and received by the Directors Board at least three times per year. At a local level, governors from each of the schools within the Trust will play an active role in monitoring the quality of learning and teaching and outcomes for learners. Through regular training across the schools within the Trust, governors will be supported to question and challenge information presented to them; gaining the level of awareness and understanding that will enable them to accurately judge the school's capacity for further improvement. The monitoring process will continuously inform self-evaluation and planning within each of the schools.

Autonomy

The ethos of the Trust Board is that best results will be achieved when each school's Local Governing Body receives a level of responsibility and autonomy appropriate to its specific circumstances. When a school is graded as 'Good' or 'Outstanding', the level of support through day-to-day supervision by the Trust will be limited to those areas of agreed need and improvement. It would be expected that the LGB will operate with maximum autonomy applied through the Trust's scheme of Local Governing Body delegation. It will be a requirement that schools graded in a category will be subject to close supervision of all aspects of governance, leadership, financial management and curriculum delivery through the CEO and Trust Business Manager. The LGB will have restricted delegated powers. It would be normal practice for members to be appointed by the Trust Board.

Funds held as custodian trustee on behalf of others

Neither the Academy Trust nor any of its Trustees act as a custodian trustee.

BERLESDUNA ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

Auditor

In so far as the Trustees are aware:

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

A resolution proposing that UHY Hacker Young be reappointed as auditor of the charitable company will be put to the members.

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 19/12/17 and signed on its behalf by:



Eileen Patching
Chair of Trustees

BERLESDUNA ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2017

Scope of responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Berlesduna Academy 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 Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Berlesduna Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 6 times during the period. Attendance during the period at meetings of the board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Eileen Patching (Chair of Trustees) (Appointed 7 July 2016)	4	6
Sean Tobin (Accounting Officer) (Appointed 7 July 2016)	6	6
Colin Moore (Appointed 7 July 2016)	6	6
Steven West (Appointed 7 July 2016)	5	6
Susan Segger (Appointed 7 July 2016)	5	6
Robin Taverner (Appointed 1 October 2016)	5	6
Martin Pretlove (Appointed 1 October 2016 and resigned 1 October 2016)	0	0
Martin Noon (Appointed 1 October 2016)	3	6

The Trust was incorporated in the period. The Trust was established on incorporation, with additional trustees being recruited at the date of conversion of the 3 academies into the Trust. In the period, the Trustees have worked to establish a regularity and control framework, issue the necessary policies and procedures for the effective management and monitoring of the Trust and to harmonise the academies into the Trust. This is an ongoing process that will continue in the coming period.

The Trust completed the necessary Financial Management and Governance Self Assessments, and considered that as a newly established Trust the board is appropriately balanced and knowledgeable. The Trust seeks guidance from its professional advisors and other academies and similar bodies as necessary to support the knowledge and experience of the board. The Trustees will continue to monitor the composition of the board.

BERLESDUNA ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

The Audit and Finance Committee is a sub-committee of the main Directors Board. The purpose of the Audit and Finance Committee is to share the workload of the Accounting Officer in managing and monitoring the organisation's finances and premises matters. The Finance and Audit Committee has formally met 4 times during the year for monitoring meetings.

An Audit Committee exists to oversee the year end audit process. Membership is as follows: Sean Tobin, Martin Pretlove (Whitmore), Doug Hamilton (Willows), Gillian Marshall (Merrylands), Nina Kemp, Nicola Berry and Courtney Freese. Sean Tobin was the only trustee on the finance and audit committee in the period.

This Finance and Audit Committee provides an opportunity for detailed discussion and consideration of financial and property matters, with regular reporting to the full board of trustees. It is given delegated authority for most financial decision-making, but the full board of trustees as a whole remains accountable and must still remain actively engaged in financial and premises matters.

Benefits of the finance and audit committee include:

- Helping to prevent fraud by ensuring that all tasks associated with the finance function are not performed by one person without supervision from others (segregation of duties).
- Allowing the Full Governing Body meetings to focus on a wider range of issues, as detailed financial and property discussions can take place within the sub-committee.
- Enabling more democratic control of the organisation's finances and estate.
- Spreading the burden of financial and premises management, thereby also potentially improving its quality.
- Helping train new committee members in financial and premises related matters.

Matters discussed during the year to 31 August 2017 include:

- Full review of finance and premises policies
- Agreement of financial regulations and scheme of delegation
- Regular review of the current financial position
- Review of long term (3-5 years) financial position
- Assurance work on health and safety matters relating to the estate
- Investigations into furthering the trusts charitable aim through community involvement
- Continuation of the audit committee to meet statutory needs
- Review of capital grants received in year for the improvement of the estate
- Consideration of the schools' assets and fulfilment of the Trusts charitable obligations to maximise the benefit of those assets with regard to asset disposal and reinvestment

Attendance at meetings in the period was as follows:

Trustees	Meetings attended	Out of possible
Sean Tobin (Accounting Officer) (Appointed 7 July 2016)	4	4

BERLESDUNA ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

Review of value for money

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

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

Improving Educational Results

Our resources are directed where they will be most effective in meeting educational requirements, for example:

- Robust tracking systems to record and monitor all aspects of pupil data including progress.
- Continue to monitor staffing levels and deploy staff efficiently to support the curriculum and areas of development.
- Provide a programme of lesson observations and work scrutinise combined with intensive staff development to ensure pupil progress
- Funding is allocated to optimal effect; providing targeted support and interventions for pupils such as small group tuition, individual pupil support, after school clubs and additional curricular activities.
- Working collaboratively with other schools, sharing good practice to improve training and improve standards
- Implement strategies to improve attendance and end of key stage results.
- Provide increased pastoral and speech and language support for identified pupils.

Better Purchasing

- Spending proposals are priced and presented to Governors, challenged appropriately and recorded in minutes.
- Contracts and service level agreements are reviewed regularly to ensure the service remains suitable for the needs of the academy and tenders/quotations are obtained where appropriate to ensure value for money.
- Continue to work with forum groups and other education providers to improve sharing of good practice and joint procurement of services.

Financial Governance and Oversight

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports reviewed and agreed by the board of trustees.
- Regular monitoring review of reports and data sources within Governing Body meetings, monitoring the impact of activities and funding streams, such as Pupil premium.
- Regular reviews by the Finance and Audit Committee of reports of financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- Robust finance procedures and regular policy reviews ensure the school is operating within the regulations of the Academies Handbook.
- Comprehensive audit checks, monitoring and reporting on financial procedures and performance.
- Reviewing appropriate financial benchmarking data, in order to compare the schools' financial performance with other similar schools.

BERLESDUNA ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Berlesduna Academy Trust for the period 7 July 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 7 July 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees;
- regular reviews by the finance and audit 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 Essex County Council as internal auditor.

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

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

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

Recommendations raised to date have not been classified as significant. Nonetheless, recommendations raised have been addressed and action plans put in place where appropriate.

BERLESDUNA ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

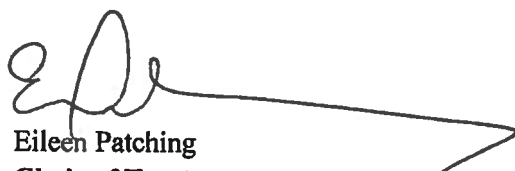
Review of effectiveness

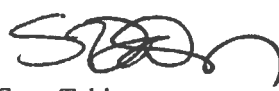
As accounting officer the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of Trustees on 19/12/17 and signed on its behalf by:


Eileen Patching
Chair of Trustees


Sean Tobin
Accounting Officer

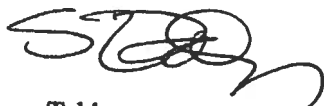
BERLESDUNA ACADEMY TRUST

**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE PERIOD ENDED 31 AUGUST 2017**

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

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

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



Sean Tobin
Accounting Officer

19/12/17
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BERLESDUNA ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE PERIOD ENDED 31 AUGUST 2017

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

Company law requires the Trustees to prepare accounts for each financial year. Under company law the Trustees must not approve the accounts 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 accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements 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 accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of Trustees on  and signed on its behalf by:

19/12/17

Sean Tobin
Accounting Officer

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BERLESDUNA ACADEMY TRUST

Opinion

We have audited the accounts of Berlesduna Academy Trust for the period ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC'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 accounts is not appropriate; or
- the Trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BERLESDUNA ACADEMY TRUST (CONTINUED)

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the incorporated strategic report for the financial period for which the accounts are prepared is consistent with the accounts; and
- the Trustees' Report including the incorporated 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 the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report, including the incorporated 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 accounts 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BERLESDUNA
ACADEMY TRUST (CONTINUED)**

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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



Colin Wright (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

20 December 2017
.....

Chartered Accountants
Statutory Auditor

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BERLESDUNA ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 30 August 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Berlesduna Academy Trust during the period 7 July 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Berlesduna Academy Trust's accounting officer and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 7 July 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Evaluation of the general control environment
- Confirmation that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education
- Review of the declaration of interests to ensure completeness
- Review of minutes for evidence of declaration of interest
- A sample of payments has been reviewed to confirm that each item has been appropriately authorised in accordance with the academy trust's delegated authorities
- A sample of cash payments were reviewed for unusual transactions
- A sample of expenditure items were reviewed against specific terms of grant funding within the funding agreement
- Formal representations have been obtained from the governing body and the accounting officer acknowledging their responsibilities for matters relating to regularity and propriety

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 7 July 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Hacker Young

Reporting Accountant

UHY Hacker Young
Quadrant House
4 Thomas More Square
London
E1W 1YW

Dated: *20 December 2017*

BERLESDUNA ACADEMY TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 AUGUST 2017**

	Notes	Unrestricted Funds £	Restricted funds: General	Fixed asset £	Total 2017 £
Income and endowments from:					
Donations and capital grants	2	-	-	740,062	740,062
Donations - transfer from local authority on conversion	23	-	(2,549,921)	20,477,820	17,927,899
Charitable activities:					
- Funding for educational operations	3	219,687	6,526,287	-	6,745,974
Other trading activities	4	20,885	-	-	20,885
Investments	5	-	-	452	452
Total income and endowments		<u>240,572</u>	<u>3,976,366</u>	<u>21,218,334</u>	<u>25,435,272</u>
Expenditure on:					
Raising funds	6	-	1,700	-	1,700
Charitable activities:					
- Educational operations	7	25,039	6,864,614	296,114	7,185,767
Total expenditure	6	<u>25,039</u>	<u>6,866,314</u>	<u>296,114</u>	<u>7,187,467</u>
Net income/(expenditure)		215,533	(2,889,948)	20,922,220	18,247,805
Transfers between funds		(1,407)	1,407	-	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	18	-	154,000	-	154,000
Net movement in funds		<u>214,126</u>	<u>(2,734,541)</u>	<u>20,922,220</u>	<u>18,401,805</u>
Reconciliation of funds					
Total funds brought forward		-	-	-	-
Total funds carried forward		<u>214,126</u>	<u>(2,734,541)</u>	<u>20,922,220</u>	<u>18,401,805</u>

BERLESDUNA ACADEMY TRUST**BALANCE SHEET****AS AT 31 AUGUST 2017**

	Notes	2017 £	£
Fixed assets			
Tangible assets	11	20,351,887	
Current assets			
Debtors	13	179,693	
Cash at bank and in hand		1,512,090	
		1,691,783	
Current liabilities			
Creditors: amounts falling due within one year	14	(438,865)	
Net current assets		1,252,918	
Net assets excluding pension liability		21,604,805	
Defined benefit pension liability	18	(3,203,000)	
Net assets		18,401,805	
Funds of the Academy Trust:			
Restricted funds	16		
- Fixed asset funds		20,922,220	
- Restricted income funds		468,459	
- Pension reserve		(3,203,000)	
Total restricted funds		18,187,679	
Unrestricted income funds	16	214,126	
Total funds		18,401,805	

The accounts set out on pages 36 to 59 were approved by the board of Trustees and authorised for issue on 19/12/17 and are signed on its behalf by:



Sean Tobin
Accounting Officer

Company Number
10267656

BERLESDUNA ACADEMY TRUST**STATEMENT OF CASH FLOWS****FOR THE PERIOD ENDED 31 AUGUST 2017**

	Notes	2017 £	£
Cash flows from operating activities			
Net cash provided by operating activities	19	481,226	
Cash funds transferred on conversion		460,079	
			<u>941,305</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		452	
Capital grants from DfE and EFA		663,388	
Capital funding from sponsors and others		77,126	
Payments to acquire tangible fixed assets		(170,181)	
			<u>570,785</u>
Change in cash and cash equivalents in the reporting period			<u>1,512,090</u>
Cash and cash equivalents at 7 July 2016			-
Cash and cash equivalents at 31 August 2017			<u><u>1,512,090</u></u>

BERLESDUNA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2017

1 Accounting policies

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

1.1 Basis of preparation

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

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

1.3 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from predecessor schools to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 23.

1.4 Income

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

Grants receivable

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.

BERLESDUNA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

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

Capital grants are recognised 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.

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

BERLESDUNA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.5 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management, Trustees' meetings and reimbursed expenses.

1.6 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require 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.

BERLESDUNA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

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

Land and buildings	2%
Computer equipment	33%
Fixtures, fittings & equipment	10%

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

1.7 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.8 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.9 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. 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. 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.

BERLESDUNA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.10 Taxation

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

1.11 Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.12 Fund accounting

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

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

BERLESDUNA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

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

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2017 £
Capital grants	-	740,062	740,062

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £
DfE / ESFA grants			
General annual grant (GAG)	-	5,124,497	5,124,497
Other DfE / ESFA grants	-	896,529	896,529
	-	6,021,026	6,021,026
Other government grants			
Local authority grants	-	503,252	503,252
Other funds			
Other incoming resources	219,687	2,009	221,696
Total funding	219,687	6,526,287	6,745,974

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £
Other income	20,885	-	20,885

BERLESDUNA ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2017****5 Investment income**

	Unrestricted funds £	Restricted funds £	Total 2017 £
Other investment income	-	452	452

6 Expenditure

	Staff costs & £	Premises equipment £	Other costs £	Total 2017 £
Expenditure on raising funds	-	-	1,700	1,700
Academy's educational operations				
- Direct costs	4,287,101	-	312,071	4,599,172
- Allocated support costs	1,487,911	629,690	468,994	2,586,595
	<u>5,775,012</u>	<u>629,690</u>	<u>782,765</u>	<u>7,187,467</u>

Net income/(expenditure) for the period includes: 2017
£

Fees payable to auditor for audit services	22,000
Depreciation of tangible fixed assets	296,114
Net interest on defined benefit pension liability	<u>(102,000)</u>

Central services

The Academy Trust has provided the following central services to its academies during the period:

- human resources;
- financial services;
- legal services;
- educational support services; or
- others as arising

The Academy Trust charges for these services on the following basis:

- flat percentage of income at 4% of GAG

BERLESDUNA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

6 Expenditure

(Continued)

The amounts charged during the period were as follows:

	Total £
Merrylands Primary School and Nursery	67,771
Whitmore Primary School and Nursery	74,216
Willows Primary School and Nursery	76,346
	<u>218,333</u>

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2017 £
Direct costs - educational operations	25,039	4,574,133	4,599,172
Support costs - educational operations	-	2,586,595	2,586,595
	<u>25,039</u>	<u>7,160,728</u>	<u>7,185,767</u>

	2017 £
Analysis of support costs	
Support staff costs	1,487,911
Depreciation and amortisation	296,114
Technology costs	56,293
Premises costs	305,364
Other support costs	133,513
Governance costs	307,400
	<u>2,586,595</u>

BERLESDUNA ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2017****8 Staff costs**

	2017
	£
Wages and salaries	4,571,511
Operating costs of defined benefit pension schemes	1,139,018
Staff costs	5,710,529
Supply staff costs	57,084
Staff development and other staff costs	7,399
Total staff expenditure	5,775,012

Staff numbers

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

	2017
	Number
Teachers	76
Administration and support	198
Management	5
	279

Higher paid staff

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

	2017
	Number
£60,001 - £70,000	1
£90,001 - £100,000	1

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £378,518.

BERLESDUNA ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 AUGUST 2017****9 Trustees' remuneration and expenses**

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Chief Executive Officer and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and staff members under their contracts of employment, and not in respect of their services as Trustees.

The value of Trustees' remuneration and other benefits was as follows:

Sean Tobin (Chief Executive Officer)	
Remuneration	£95,000 - £100,000
Employer pension contributions	£15,000 - £20,000

10 Trustees and officers insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance was provided by the Local Authority. The cost of this insurance is included in the total insurance cost.

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 7 July 2016	-	-	-	-
Transfer on conversion	20,040,120	144,900	292,800	20,477,820
Additions	128,699	41,482	-	170,181
	<u>20,168,819</u>	<u>186,382</u>	<u>292,800</u>	<u>20,648,001</u>
At 31 August 2017				
Depreciation				
At 7 July 2016	-	-	-	-
Charge for the period	218,880	47,954	29,280	296,114
	<u>218,880</u>	<u>47,954</u>	<u>29,280</u>	<u>296,114</u>
At 31 August 2017				
Net book value				
At 31 August 2017	<u>19,949,939</u>	<u>138,428</u>	<u>263,520</u>	<u>20,351,887</u>

BERLESDUNA ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2017**

12 Financial instruments	2017
	£
Carrying amount of financial assets	
Debt instruments measured at amortised cost	1,643,788
Carrying amount of financial liabilities	
Measured at fair value through or	
Measured at amortised cost	87,024
13 Debtors	2017
	£
Trade debtors	3,636
VAT recoverable	25,668
Prepayments and accrued income	150,389
	179,693
14 Creditors: amounts falling due within one year	2017
	£
Trade creditors	10,940
Other taxation and social security	182,687
Accruals and deferred income	245,238
	438,865
15 Deferred income	2017
	£
Deferred income is included within:	
Creditors due within one year	169,154
Amounts deferred in the period	169,154
Deferred income at 31 August 2017	169,154

BERLESDUNA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

16 Funds

	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds				
General Annual Grant	5,124,497	(5,117,524)	1,407	8,380
Other DfE / ESFA grants	896,529	(896,529)	-	-
Other government grants	503,252	(503,252)	-	-
Other restricted funds	462,088	(2,009)	-	460,079
	<u>6,986,366</u>	<u>(6,519,314)</u>	<u>1,407</u>	<u>468,459</u>
Funds excluding pensions				
Pension reserve	(3,010,000)	(347,000)	154,000	(3,203,000)
	<u>3,976,366</u>	<u>(6,866,314)</u>	<u>155,407</u>	<u>(2,734,541)</u>
Restricted fixed asset funds				
Transferred on conversion	20,477,820	-	-	20,477,820
DfE / ESFA capital grants	740,514	(296,114)	-	444,400
	<u>21,218,334</u>	<u>(296,114)</u>	<u>-</u>	<u>20,922,220</u>
Total restricted funds	<u>25,194,700</u>	<u>(7,162,428)</u>	<u>155,407</u>	<u>18,187,679</u>
Unrestricted funds				
General funds	<u>240,572</u>	<u>(25,039)</u>	<u>(1,407)</u>	<u>214,126</u>
Total funds	<u>25,435,272</u>	<u>(7,187,467)</u>	<u>154,000</u>	<u>18,401,805</u>

BERLESDUNA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2017

16 Funds

(Continued)

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

General Annual Grant

The General Annual Grant must be used for the normal running costs of the School including salary costs, overheads, premises costs and curriculum costs. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Other DfE/ESFA and government grants

Other grants include funding received from the DfE and Local Education Authorities for specific purposes.

Fixed asset fund

The fixed asset fund includes grants received from the DfE and other sources to finance the purchase of tangible fixed assets.

Pension reserve

The pension reserve is the element of the local government pension fund liability attributable to the Trust.

Transfer between funds

A transfer between funds was necessary to reflect the funding of activities in the year.

Total funds analysis by academy

	Total £
Fund balances at 31 August 2017 were allocated as follows:	
Merrylands Primary School and Nursery	304,390
Whitmore Primary School and Nursery	215,998
Willows Primary School and Nursery	152,230
Central services	9,967
Total before fixed assets fund and pension reserve	682,585
Restricted fixed asset fund	20,922,220
Pension reserve	(3,203,000)
Total funds	<u>18,401,805</u>

BERLESDUNA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

16 Funds

(Continued)

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
	£	£	£	£	£
Merrylands Primary School and Nursery	1,503,138	613,943	90,388	196,493	2,403,962
Whitmore Primary School and Nursery	1,351,336	427,351	108,050	147,557	2,034,294
Willows Primary School and Nursery	1,432,626	446,616	107,769	356,613	2,343,624
Central services	-	-	5,865	103,605	109,470
	<u>4,287,100</u>	<u>1,487,910</u>	<u>312,072</u>	<u>804,268</u>	<u>6,891,350</u>

17 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds:		Total 2017
	£	General	Fixed asset	£
		£	£	
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	20,351,887	20,351,887
Current assets	236,712	849,688	605,383	1,691,783
Creditors falling due within one year	(22,586)	(381,229)	(35,050)	(438,865)
Defined benefit pension liability	-	(3,203,000)	-	(3,203,000)
	<u>214,126</u>	<u>(2,734,541)</u>	<u>20,922,220</u>	<u>18,401,805</u>

BERLESDUNA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

18 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2016.

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

Teachers' Pension Scheme

Introduction

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

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

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

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.

BERLESDUNA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

18 Pensions and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The employer's pension costs paid to the TPS in the period amounted to £375,841.

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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.4% and 20.3% for employers and 5.5% and 12.5% for employees.

The LGPS obligation relates to the employees of the Academy Trust who were employees transferred as part of the conversion from the maintained school (as described in note 23) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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.

BERLESDUNA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2017

18 Pensions and similar obligations

(Continued)

Total contributions made	2017
	£

Employer's contributions	311,000
Employees' contributions	90,000

Total contributions	401,000
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Principal actuarial assumptions	2017
	%

Rate of increases in salaries	4.2
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Rate of increase for pensions in payment	2.7
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Discount rate	2.6
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Inflation assumption (CPI)	3.6
----------------------------	-----

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

	2017
	Years
Retiring today	
- Males	22.2
- Females	24.7
Retiring in 20 years	
- Males	24.3
- Females	27

Scheme liabilities would have been affected by changes in assumptions as follows:

	2017
	£'000
Discount rate + 0.1%	-149
Discount rate - 0.1%	154
Mortality assumption + 1 year	162
Mortality assumption - 1 year	-156
CPI rate + 0.1%	131
CPI rate - 0.1%	-156
Salary rate + 0.1%	68
Salary rate - 0.1%	-28

BERLESDUNA ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 AUGUST 2017****18 Pensions and similar obligations (Continued)**

The Academy Trust's share of the assets in the scheme	2017 Fair value £
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Equities	1,215,000
Bonds	189,000
Cash	57,000
Property	180,000
Other assets	221,000
Total market value of assets	1,862,000

Actual return on scheme assets - gain/(loss)	198,000
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Amounts recognised in the statement of financial activities	2017 £
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Current service cost	760,000
Interest income	(198,000)
Interest cost	96,000
Total operating charge	658,000

Changes in the present value of defined benefit obligations	2017 £
--	-------------------

Obligations acquired on conversion	4,273,000
Current service cost	760,000
Interest cost	96,000
Employee contributions	90,000
Actuarial gain	(154,000)
At 31 August 2017	5,065,000

BERLESDUNA ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2017**

18 Pensions and similar obligations	(Continued)
Changes in the fair value of the Academy Trust's share of scheme assets	
	2017
	£
Assets acquired on conversion	1,254,000
Interest income	198,000
Employer contributions	311,000
Employee contributions	90,000
Benefits paid	9,000
At 31 August 2017	<u>1,862,000</u>

19 Reconciliation of net income to net cash flows from operating activities	
	2017
	£
Net incoming resources for the reporting period	18,247,805
Adjusted for:	
Net incoming resources on conversion to an academy	(17,927,899)
Capital grants from DfE/ESFA and other capital income	(740,514)
Investment income receivable	(452)
Defined benefit pension costs less contributions payable	449,000
Defined benefit pension net finance FALSE	(102,000)
Depreciation of tangible fixed assets	296,114
(Increase) in debtors	(179,693)
Increase in creditors	438,865
Net cash provided by operating activities	<u>481,226</u>

BERLESDUNA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2017

20 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017
	£
Amounts due within one year	3,880
Amounts due in two and five years	4,614
	<u>8,494</u>

21 Related party transactions

In the year family members or close relations of Trustees or key management personnel were employed by the Trust. The Trustee or key management personnel were not involved in the appointment, pay or performance monitoring of those employees.

22 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

23 Conversion to an academy

On 1 October 2016 Merrylands Primary School and Nursery, Whitmore Primary School and Nursery and Willows Primary School and Nursery converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Berlesduna Academy Trust from Essex County Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

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

Academy	Location	Date of conversion
Merrylands Primary School and Nursery	Basildon	1 October 2016
Whitmore Primary School and Nursery	Basildon	1 October 2016
Willows Primary School and Nursery	Basildon	1 October 2016

BERLESDUNA ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2017

23 Conversion to an academy

(Continued)

Net assets transferred:	2017
	£
Leasehold land and buildings	20,040,120
Other tangible fixed assets	437,700
Cash	460,079
LGPS pension surplus/(deficit)	(3,010,000)
	<u>17,927,899</u>

	Unrestricted	Restricted funds:	Total
Funds surplus/(deficit) transferred:	Funds	General	2017
	£	£	£
Fixed assets funds	-	-	20,477,820
LA budget funds	-	460,079	460,079
LGPS pension funds	-	(3,010,000)	(3,010,000)
	<u>-</u>	<u>(2,549,921)</u>	<u>20,477,820</u>
	<u>-</u>	<u>(2,549,921)</u>	<u>17,927,899</u>