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Financial statements for the year ended 31 August 2017  
for

**Base Academy Trust**

BEEVER  
AND  
STRUTHERS

CHARTERED ACCOUNTANTS  
AND BUSINESS ADVISORS

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# **Base Academy Trust**

## **Contents**

Reference and Administrative Details	1 to 2
Trustees' Report	3 to 14
Governance Statement	15 to 19
Statement on Regularity, Propriety and Compliance	20
Statement of Trustees' Responsibilities	21
Independent Auditor's Report on the Financial Statements	22 to 24
Independent Reporting Accountant's Report on Regularity	25 to 26
Statement of Financial Activities incorporating Income and Expenditure Account	27
Balance Sheet	28
Statement of Cash Flows	29
Notes to the Financial Statements	30 to 46

## **Base Academy Trust**

### **Reference and Administrative Details**

#### **Members**

C Graham  
A Combes  
E Morris (resigned 31 October 2016)  
A Connell  
R Allanson  
R Mercer (appointed 6 March 2017)

#### **Trustees (Directors)**

C Caldwell  
J Cofie Bo Akinyemi (resigned 20 October 2016)  
C Graham  
A Gutzü  
S O'Neill (resigned 13 February 2017)  
A Quigley  
D Webb  
L Whittaker  
E Morris (appointed 31 October 2016)  
D Overbury (appointed 20 March 2017)

#### **Senior Leadership Team and Key Management Personnel**

L Whittaker, Executive Headteacher  
R Driver, Head of School, Red Lane Primary School  
G Yapp, Head of School, Masefield Primary School

#### **Company**

BASE Academy Trust

#### **Principal and Registered Office**

Red Lane Primary School  
Red Lane  
Broughton  
Bolton  
BL2 5HP

#### **Company Registration Number**

10227910

## **Base Academy Trust**

### **Reference and Administrative Details (continued)**

#### **Auditors**

Beever and Struthers  
Chartered Accountants and Statutory Auditors  
Central Buildings  
Richmond Terrace  
Blackburn  
Lancashire  
BB1 7AP

#### **Bankers**

Lloyds Bank plc  
9 Hotel Street  
Bolton  
BL1 1DB

Royal Bank of Scotland  
46-48 Deansgate  
Bolton  
BL1 1BH

#### **Solicitors**

Browne Johnson LLP  
Castle Meadow Road  
Nottingham  
NG2 1BJ



## **Base Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2017**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Multi Academy Trust (MAT) operates academies for pupils aged 2-11, serving the catchment areas of Brightmet and Little Lever in Bolton. It has a combined pupil capacity of 700 plus 104 Nursery places and 32 under 3s places. The numbers on roll are 690 pupils and 124 Nursery and 23 under 3s as reported in the school census in May 2017.

#### **Discussion on conversion to academy trust**

On the conversion to academy trust status under the Academies Act 2010 and all the operations assets and liabilities were transferred to Base Academy Trust from the Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method in the 31 August 2016 period end. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised in the Statement of Financial Activities as voluntary income.

#### **Structure, governance and management**

##### ***Constitution***

Red Lane and Masfield converted to BASE Academy Trust on 1st August 2016. The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of BASE Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The Company has taken advantage of the exemption from the requirement to have its name ending with "Limited" under section 60 of the Companies Act 2016. Details of the Trustees who served throughout 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***

Professional Indemnity Insurance is in place to protect Members, Trustees and Officers from claims arising from negligent acts, errors or omissions occurring on Trust business.

##### ***Method of recruitment and appointment or election of Trustees***

The members of the trust are responsible for the appointment of the trustees and it is dependent upon their expertise, experience and skills. The number of trustees shall be a minimum of three but shall not be subject to any maximum, as referenced in the articles of association and are appointed for a term of four years.

## **Base Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2017 (continued)**

#### ***Policies and procedures adopted for the induction and training of Trustees***

Trustees are appointed based on the skills they bring to the board to maintain a robust overview and governance throughout the trust. Prior to conversion the Trustees agreed the Trust's Principles, committee structures and organisation and agreed the scheme of delegation. In order to increase financial skill capacity another Trustee was appointed when a Trustee resigned in February 17. On appointment, Trustees and Local Governors receive information relating to the Trust, including policies and procedures and receive an induction pack on the role and responsibilities of Trustees.

The Trustees paid for the specialist services of Mark Bradley; a partner of Beever and Struthers to attend every Trustee meeting. He gave advice and explained accounting and other aspects to the Trust Board. Other training is given through Bolton LA Governor service which the Academies buy into. All training is based on the Trustees' existing areas of expertise and areas that they need to develop. The Accounting Officer and finance managers have attended a training day looking at Academy finance and all the related policies and procedures by CEM. They have also attended sessions given by Beever Struthers on Due Diligence, VAT and ESFA development proposals.

#### **Organisational Structure**

The organisational structure is set out in the Memorandum and Articles of BASE Academy Trust. The aim of the structure is to devolve responsibility and encourage involvement in decision making at all levels. Trustees have overall responsibility and ultimate decision making at all levels. The trustees also have overall responsibility for strategic direction and growth of the Trust, adopting an annual plan and budget, monitoring the Trust and Academies by the use of financial management and other performance information; making staff appointments to the Senior Leadership and approving the Annual report and Financial statements. They are also responsible for all matters relating to finance and personnel and for setting the Trust general policies.

The trustees are responsible for ensuring the Local Governing Boards fulfil their statutory obligations in a manner which will allow the Academy Trust to fulfil its aims, ensuring procedures are in place to ensure regularity, propriety and value for money, setting general policies, budget planning and monitoring and major decision making about the direction of the trust, capital expenditure and senior staff appointments. The Executive Headteacher is the Accounting Officer and is supported by the Senior Leadership Team (SLT) and the Finance Manager. The SLT is responsible for implementing the policies laid down by the Trustees and reporting back to them. The Trustees delegate day to day operation of the Academies to the Heads of School who are supported by school leadership.

The Trustees have clear terms of reference and also have 4 sub-committees: Audit and Risk, Standard Achievement and Inclusion, Resources and Performance Management. The Trustees have met at least termly, the first meeting was held in September 2016 when schools reopened after the summer break was a business and planning meeting. The Trustees have established Local Governing Boards (LGB) in January 2017 in each Academy. The LGBs also have clear terms of reference. Each committee and LGB have met at least termly. Reports from Sub Committees and LGBs have been received, scrutinised and ratified by the Trustees. Trustees make regular visits to both Academies within the Trust, including attending LGB meetings.

Roles and responsibilities of Members, Trustees, LGBs, Executive Headteacher and Heads of School are clearly defined in the Scheme of Delegation and Financing Scheme of Delegation.

## **Base Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2017 (continued)**

#### **Trustees of the MAT are:**

Mr C Graham (Chairman)  
Mrs A Quigley (Vice Chairman)  
Mrs L M Whittaker (Executive Headteacher/Accounting Officer)  
Mr A Gutzü  
Mr S O'Neill (Resigned 13<sup>th</sup> February 2017)  
Mr C Caldwell  
Mr D Webb  
Mr J Akinyemi (Resigned 20 October 2016)  
Ms E Morris (Appointed 31 October 2016)  
Mr D Overbury (Appointed 20<sup>th</sup> March 2017)

#### ***Committee Organisation***

##### **Audit and Risk Committee**

Mr D Overbury (Chair)  
Mrs A Quigley  
Mrs L Whittaker  
Mr C Caldwell  
Mr C Graham

##### **Resources Committee (Finance, Personnel, Premises and Safety)**

Ms E Morris (Chair)  
Mr C Graham  
Mrs L Whittaker  
Mr A Gutzü  
Mr D Webb

##### **Standards Achievement and Inclusion Committee**

Mrs A Quigley (Chair)  
Mrs L Whittaker  
Mr C Caldwell  
Mr D Overbury

##### **Performance Management Committee**

Mrs Ann Coombes (Chair)  
Mr C Graham  
Mr A Gutzü

The LGB for each Academy was set up in January 2017 and the constitution is also set out within the Memorandum and Articles.



## **Base Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2017 (continued)**

#### ***Arrangements for setting pay and remuneration of key management personnel***

The Performance Management Committee met to confirm SLT pay ranges across both schools. The SLT structures were also confirmed. The Executive Headteacher targets were reviewed and new ones set for 16/17 on the 14/12/16. The committee also reviewed all other pay increases in a report given by the Executive Headteacher. Moving forward the pay increases for the Executive Headteacher will be determined by the Performance Management Committee and the external school improvement partner during the final review annually. This committee will also review all other pay increases in a report given by the Executive Headteacher annually.

#### ***Connected organisations, including related party relationships***

Prior to conversion the school had taken out a Service Level Agreement with Global Policing Limited from April 2016 to March 2017. This company is owned by one of the Trustees, Mr S O'Neill. A decision has been taken that the service will not be renewed in April 2017. Mr S O'Neill resigned as a Trustee in February 17.

#### **Objectives and activities**

##### ***Objects and aims***

The Academy Trust was constituted on 1st August 2016 with two primary schools in the Trust; Red Lane and Masefield. BASE Academy Trust's principal object and activity of the charitable company is the operation of the schools to provide education for pupils of mixed abilities between the ages of 2 and 11 years. The pupils who attend are mainly from the local area of Bolton. We aim to provide as many opportunities as we can for every child to not only achieve their best academically but also to offer a broad range of enrichment opportunities to become a well-rounded, confident young person that has the skills and qualities necessary for their adult life.

To assist the children and families with academic study the schools offer breakfast club, booster sessions, before and after school clubs and additional provision for those children that have been identified as requiring additional assistance. The academies also offer many additional activities and experiences beyond academic, with coaching in various sports. Educational visits are organised throughout the year to broaden and deepen pupils' life experiences and stimulating learning and raising aspirations.

At BASE Academy Trust our determination to make a difference is rooted in moral purpose. We want to improve outcomes and life chances for young people. Our moral purpose is manifested in our Principles, Beliefs and Commitments.

#### ***Principles***

- We are inclusive and value diversity and equality.
- We value and actively encourage mutual respect, integrity, honesty and openness.
- We will do what is best for all our young people, schools and communities.
- We will work closely with and for the benefit of all school staff, leadership teams, Governing Bodies and central staff. In so doing ensuring that we are all working for the benefit of all pupils in our schools.
- We know the communities well within our trust.
- We will add value to our schools.
- We will work effectively in partnership with Local Authorities and other schools.

We will constantly search to find the best evidence to improve our practice; learning from the wisdom of others.

## **Base Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2017 (continued)**

#### **Objectives and activities (Continued...)**

##### ***Beliefs***

- We believe that children are at the heart of everything we do
- We believe in excellence for all pupils, providing an education that meets all their needs, now and in the future.
- We believe that great learning comes from great teaching.
- We believe that having a relentless drive for improvement is a key success for our organisation.
- We are dedicated to continuing professional development and all in our team are committed to improving their practice.
- We believe working in collaborative partnership will enable excellence for all our children.

##### ***Commitments***

- Our Trust will support its schools and will always act with integrity, being open and honest.
- Our Trust will challenge all of its schools to continually improve.
- Our Trust will influence wider communities.

Our Principles, Beliefs and Commitments embody a vision, which is to achieve excellent outcomes for young people in the North West. Each of our schools is unique and distinctive serving different communities.

##### ***Objectives, strategies and activities***

Both Red Lane and Masefield Governing Boards made the decision to become an Academy for the following reasons;

- The Executive Headteacher began supporting the leadership of Masefield in January 2014. The Governors of Masefield saw the benefits of the two schools working collaboratively and wanted to make the relationship more permanent.
- A more permanent arrangement will strengthen the teaching and learning of both schools and collaboration will be increased benefiting the pupils even further.
- There will be an increase of sharing resources to make savings of shared services through procurement. This more cost effective approach will allow for increased resources for pupils.

Being an Academy allows for greater flexibility in staffing, the curriculum arrangements and for school holidays.

## Base Academy Trust

### Trustees' Report for the Year Ended 31 August 2017 (continued)

#### Objectives and activities (Continued...)

Red Lane and Masfield both have clear Improvement Plans for 2017/2018; the progress towards the development plan will be monitored by the Trustees and LGBs on a termly basis.

The main objectives for 2016/2017 were:

<b>Red Lane Primary/Masfield Primary</b>	
<b>School Improvement</b>	
<b>Priority 1 –</b> <i>To continue to raise standards and increase rates of progress in speaking and listening, writing, SPAG and reasoning.</i>	Both schools aim to meet their challenging targets. However many things can affect this. The accuracy of previous reported assessment e.g. EYFS and the intake of pupils throughout the year.
<b>Priority 2 –</b> <i>To continue to improve provision and outcomes for all vulnerable and minority groups of pupils throughout the school.</i>	All inclusion provision has been reviewed throughout the Trust and new, improved documentation and procedures are now in place. Interventions are even more focussed and specific. Pupils are on track to meet their challenging targets.
<b>Priority 3 –</b> <i>To continue to improve the quality and effectiveness of teaching and learning throughout the school.</i>	The quality of teaching and learning continues to develop and shows a positive picture overall. There are plans in place to support teachers who are judged as requiring improvement. Teaching has been restructured for the year 17/18.
<b>Priority 4 –</b> <i>To actively promote an ethos focusing on improving experiences and life choices of children as effective learners and future citizens.</i>	Many pupils throughout the Trust are quoting mindset vocabulary e.g. I can't do it yet! Lesson observations evidence many Kagan and interactive strategies.

#### **Public benefit**

The Trust's purpose is 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 Academies which shall offer a broad and balanced curriculum. Our Academies directly serve our local communities and provide free education to pupils in the catchment areas.

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the charity Commission in exercising their powers or duties.



## Base Academy Trust

### Trustees' Report for the Year Ended 31 August 2017 (continued)

#### Strategic Report

The strategic focus of the Trust during 2016/2017 has been to strengthen and develop the skills and relationships within the MAT. The Trustees have written the principles, beliefs and aims outlining the vision for the Trust and a scheme of delegation outlining responsibilities of Members, Trustees, LGBs, Executive Headteacher and Heads of Schools.

#### *Achievements and performance*

Data Outcomes:

**Key Performance Indicators-Data on attainment/progress Early Years Foundation Stage (EYFS), Key Stage 1(KS1) and Key Stage 2(KS2).**

Percentage of pupils achieving a good level of development at the end of EYFS		
Masefield	Red Lane	National
73%	53 %	71 %

Masefield EYFS pupils' good level of development is 2% above National and 85% of pupils make expected progress in all areas of learning.

Red Lane EYFS pupils' good level of development is lower than National but the pupils on entry to Nursery and Reception data is well below National expectations. At least 88% make more than expected progress in all areas of learning.

Percentage of pupils achieving the phonic standard at the end of Year 1		
Masefield	Red Lane	National
75%	77%	81%

Both Masefield and Red Lane year 1 phonic data is slightly lower than National.

Percentage of pupils achieving the phonic standard at the end of Year 2		
Masefield	Red Lane	National
91%	90%	91%

Both Masefield and Red Lane year 2 phonic data is in line with National average.

## Base Academy Trust

### Trustees' Report for the Year Ended 31 August 2017 (continued)

#### Strategic Report (Continued...)

Key Stage 1			
	Masefield	Red Lane	National
% of pupils attaining the Expected Standard in reading	62%	69%	76%
% of pupils attaining Greater Depth in reading	12%	20%	25%
% of pupils attaining the Expected Standard in writing	56%	61%	68%
% of pupils attaining Greater Depth in writing	3%	14%	16%
% of pupils attaining the Expected Standard in maths	71%	73%	75%
% of pupils attaining Greater Depth in maths	9%	19%	21%

At Masefield the pupils' attainment in reading, writing and maths is lower than National at Expected and Greater Depth. The gap is higher in reading and writing than in maths.

At Red Lane the pupils' attainment in reading is slightly lower than National at Expected and at Greater Depth. In writing and maths it is slightly lower than National at Expected and in line with National at Greater Depth.



## Base Academy Trust

### Trustees' Report for the Year Ended 31 August 2017 (continued)

#### Strategic Report (Continued...)

Key Stage 2			
	Masefield	Red Lane	National
% of pupils attaining the Expected Standard in reading	74%	45 %	71%
% of pupils attaining higher than the Expected Standard in reading	16%	5%	25%
Reading Progress Score	-1.0	-2.6	0
% of pupils attaining the Expected Standard in writing	84%	52%	76%
% of pupils attaining higher than the Expected Standard in writing	18%	3%	18%
Writing Progress Score	+1.3	-3.2	0
% of pupils attaining the Expected Standard in spelling, punctuation and grammar	84%	47%	77%
% of pupils attaining higher than the Expected Standard in spelling, punctuation and grammar	24%	7%	31%
% of pupils attaining the Expected Standard in maths	87%	48%	75%
% of pupils attaining higher than the Expected Standard in maths	32%	13%	23%
Maths Progress Score	+2.0	-0.7	0

#### Masefield

At Masefield the pupils' attainment in reading is higher than National at Expected but slightly lower than National and the higher standard. The progress that pupils make is slightly less than pupils Nationally.

In writing the pupils' attainment is higher than National at both Expected and in line with National at the higher standard. The progress that pupils make is greater than pupils Nationally.

In SPAG the pupils' attainment is higher than National at Expected and is slightly lower than National at the higher standard.

In maths the pupils' attainment is higher than National at Expected and at the higher standard. The progress that pupils make is greater than pupils Nationally.

#### Red Lane

At Red Lane the pupils' attainment in reading, writing, SPAG and maths is lower than National at Expected and at the higher standard. The progress that pupils make is lower than pupils Nationally. The gap is wider in writing and reading than in maths. This poor performance is cohort specific with a high percentage of the pupils having special needs and social, emotional and behavioural difficulties.

## Base Academy Trust

### Trustees' Report for the Year Ended 31 August 2017 (continued)

#### *Key non-financial performance indicators*

##### Attendance

Red Lane Primary		
Attendance		
	05/09/15 -22/07/16	06/09/16 -22/07/17
Total attendance	95.7%	95.6%
Authorised Absences	3.1%	3.5%
Unauthorised absences	1.2%	0.8%

Maselfield Primary		
Attendance		
	05/09/15 -22/07/16	06/09/16 -22/07/17
Total attendance	95.7%	95.5%
Authorised Absences	3.4%	3.2%
Unauthorised absences	0.9%	1.3%

#### *Going concern*

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

#### **Financial review**

The Academy's total incoming resources during the period were £3,649,592 (2016: £3,716,718) included in the 2016 figures was £3,378,816 in respect of the recognition of assets and liabilities on conversion, comprising largely £4,629,694 in respect of the Schools land and buildings and liability of £1,513,000 in respect of employees that transferred to the Academy Trust on 1 August 2016 who are members of the Greater Manchester Pension Fund Local Government Pension Scheme.

The majority of the Academy's income derives from central government funding via the Education and Skills Funding Agency, in the form of current grants. Total funding received for the Academy's educational operations in the period was £3,023,104 (2016: £309,961) and further details are provided in Note 2 to the accounts.

Total outgoing resources for the period were £3,790,346 (2016: £284,357) the majority of which related to the direct provision of educational operations. The excess of expenditure over income is £140,754 (2016: excess of income over expenditure £3,432,361).

At the period end the Academy's total reserves were £3,607,607 including unrestricted funds of £310,991, and restricted funds of £3,296,616 of which restricted fixed asset funds are £4,550,064. The balances on general restricted funds relate to funding received in the period which is due to be spent in the following year in accordance with the terms of funding and other unspent balances of restricted income.

At 31 August 2017 all assets shown in the financial statements were used exclusively for providing education and associated support services to students of the Academy.



## **Trustees' Report for the Year Ended 31 August 2017 (continued)**

### ***Reserves policy***

At 31 August 2017 the school held GAG reserves of £71,552 (2016: £16,452). The Trustees will seek to increase this reserve in future years.

### **Unrestricted reserves**

The Academy may hold unrestricted free reserves, which provide additional working capital and are not committed or designated. It is the trustees' aim to hold approximately 3 months' expenditure in unrestricted reserves, to provide an additional cushion over and above the restricted GAG reserve. BASE Academy Trust is a newly established Academy that aims to meet these targets within the next three years by increasing income through support in other schools and training.

No reserves policy is fully in place as at 31 August 2017 and the level of unrestricted reserves held was £310,991 (2016: £282,677), cash held by the Academy amounted to £575,156 (2016: £243,322).

The Trustees review reserve levels of the Academy annually. This review encompasses the nature of the income and expenditure stream, the need to match income with commitments, the uncertainty surrounding the levels of future funding and the nature of reserves.

### **Restricted General Annual Grant (GAG) reserves**

The Trustees have considered the level of GAG reserves which they believe will provide sufficient working capital to cover delays between the spending and receipt of grants and unexpected or planned future revenue and capital costs. The Trustees believe that, under normal circumstances, the appropriate level of GAG reserve should be between 2% and 5% of GAG income and aim to keep the reserve within these parameters.

### ***Investment policy***

At BASE Academy Trust we are careful with the public money we are entrusted with. Adequate cash balances are maintained to ensure that there are always sufficient funds in the Trust's current account to cover financial commitments such as payroll and day to day expenses. The cash at the bank on the 31 August 2017 was £575,156 and unrestricted reserves amount to £310,991.

### ***Principal risks and uncertainties***

The principal risks to the Trust are documented and managed using a risk register which will be regularly reviewed.

### ***Plans for future periods***

Red Lane's main annual objectives for the next academic year 2017/2018 are:

- To improve the attainment and increase rates of progress of the lower ability (not SEN) pupils across KS2.
- To actively promote an ethos focusing on improving skills, experiences and life choices of pupils as effective learners and future citizens.
- To raise standards and increase the rates of progress in reading throughout school.
- To refine a whole school high quality curriculum that meets the needs of pupils, impacting positively, reducing barriers and maximising learning
- To raise standards and improve the provision of computing on line safety across the school.

Masefield's main annual objectives for the next academic year 2017/2018 are:

- To improve the attainment and increase rates of progress of the lower ability (not SEN) pupils across KS1.
- To actively promote an ethos focusing on improving skills, experiences and life choices of pupils as effective learners and future citizens.
- To raise standards and increase the rates of progress in reading throughout school.
- To refine a whole school high quality curriculum that meets the needs of pupils, impacting positively, reducing barriers and maximising learning
- To raise standards and improve the provision of computing on line safety across the school.

**Base Academy Trust**  
**Trustees' Report for the Year Ended 31 August 2017 (continued)**

**Auditor**

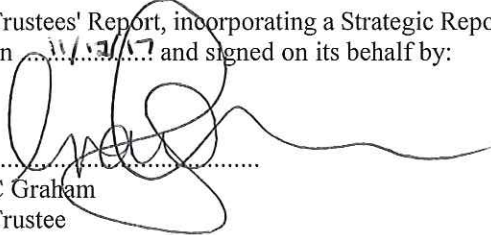
In so far as the Trustees are aware:

- 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.

***Reappointment of auditor***

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Beever and Struthers as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 11/12/17 and signed on its behalf by:

  
.....  
C Graham  
Trustee

## Base Academy Trust

### Governance Statement for the Year Ended 31 August 2017

#### Statement on governance and internal control

##### Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Base 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 Governing Body has delegated the day-to-day responsibility to L Whittaker, 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 Base Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body 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 Governing Body has formally met 5 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
C Graham	5	5
A Quigley	5	5
L Whittaker	5	5
A Gutz		
S O'Neill	2	2
C Caldwell	2	5
D Webb	5	5
J Cofie Bo Akinyemi	0	1
E Morris	3	4
D Overbury	2	2

The Members Board and Board of Trustees have reviewed governance and evaluated their composition. The Trustees have increased their financial skill set in the appointment of E Morris and D Overbury. The two LGB have been appointed based on a skills audit. There are currently no vacancies. The Members Board and Board of Trustees will conduct their next self-evaluation by July 18 based on the outcomes of the internal audit reviews.

The Audit and Risk Committee is a sub-committee of the main Trustee Board. Its purpose is to assist the decision making of the Board through more detailed consideration of the Trustees' responsibility to ensure regulatory compliance and manage risk. The committee has reviewed the risk register termly. During the year D Overbury, who is a qualified accountant, joined the committee. Attendance in meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
D Overbury (Chair)	1	2
A Quigley	2	2
L Whittaker	2	2
C Caldwell	0	2

## Base Academy Trust

### Governance Statement for the Year Ended 31 August 2017 (continued)

The Resources committee is a sub-committee of the main Trustee Board. Its purpose is to assist with the financial management of the Trust and strategic planning.

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
E Morris (Chair)	2	3
C Graham	3	3
L Whittaker	3	3
A Gutzu	1	3
D Webb	2	3

The Performance Management committee is a sub-committee of the main Trustee Board. Its purpose is to set and review the performance management of the Executive Headteacher and review pay of all other teaching staff in a report given by the Executive Headteacher.

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs Ann Coombes (Chair)	1	1
C Graham	1	1
A Gutzu	1	1

The Standards, Achievement and Inclusion committee is a sub-committee of the main Trustee Board. Its purpose is to assist with increasing education standards and pupil achievement for all the pupils within the Trust.

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs A Quigley (Chair)	1	1
Mrs L Whittaker	1	1
Mr C Caldwell	0	1
Mr D Overbury	0	1



## Base Academy Trust

### Governance Statement for the Year Ended 31 August 2017 (continued)

The Local Governing Boards were appointed in January 2017 and their main purpose is to act as a committee assisting and supporting the Trust Board to discharge their responsibilities at a school level.

#### Masefield LGB

Governor	Meetings attended	Out of a possible
A Quigley (Chair)	2	2
B Winter-Hardman	2	2
M Connell	2	2
K Bolton	1	2
J Gifford	2	2
N Barnes	1	2
L Royle	2	2
G Yapp	2	2
L Whittaker	2	2
G Houghton	1	2

#### Red Lane LGB

Governor	Meetings attended	Out of a possible
A Combes	1	2
C Caldwell	1	2
K Adamson	2	2
J Williams	2	2
M Tuckley	1	2
L Driver	2	2
S Wilson	1	1
R Driver	2	2
L Whittaker	2	2

## **Base Academy Trust**

### **Governance Statement for the Year Ended 31 August 2017 (continued)**

#### **Review of value for money**

As accounting officer the trustee 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 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:

- The academic performance of the academies shows a positive and upward trajectory, proving that education outputs benefit from the resources and budgets afforded by the Trust and that value for money is being achieved within the headline results
- Collaboration between the two schools to facilitate consistency and good practice allowing education professionals to share best practice, improve self- evaluation, cross pollenate strategy, data and resources and to be each other's critical friend.
- Sharing the ICT technician between the two schools. Previously, as part of an SLA with Bolton ICT, Red Lane paid for a technician for 1 day a week and that was reduced to half a day at each school.
- Sharing a minibus has allowed more pupils to benefit from sporting events, trips and visits.
- Sharing staff in EYFS has caused less disruption to pupils learning and has been more cost effective than using sometimes less skilled supply teachers.
- Upgrade of ICT equipment-interactive whiteboards. Suppliers were invited to attend school and quote for providing and fitting 12 interactive boards in classrooms across the Trust. It was ensured that quotes consisted of like for like products. Quotes were taken to the Resources Committee who chose a supplier based on price, product quality and installation guarantees and aftercare.
- Refurbishment of Masefield KS2 classrooms and Refurbishment of Red Lanes KS2 hall. Builders were invited to attend each school and quote for refurbishment works. It was ensured that quotes consisted of like for like products. Quotes were taken to the Resources Committee who chose a builder based on price, product quality and installation guarantees and aftercare.

#### **The purpose of the system of internal control**

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

#### **Capacity to handle risk**

The Governing Body 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 Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

On 1st October 2016, during the financial year the risk register was produced and was approved by the Trust Board on the 5th December 2016. This risk register will be reviewed by the Audit Committee termly and reported to the Trust Board.



## Base Academy Trust

### Governance Statement for the Year Ended 31 August 2017 (continued)

#### The risk and control framework

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

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

The Trust Board has considered the need for a specific internal audit function however due to an external audit taking place in December 2016 for the month of August as requested by the ESFA and the school being chosen in March 17 to complete the FMGS with the ESFA, the Trust Board felt the finance staff would be overloaded by auditing. The Trust Board has designed a programme for 2017-18 with Beever and Struthers' Manchester team. There will be regular reports given to the Board of Trustees, through the Audit and Risk Committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

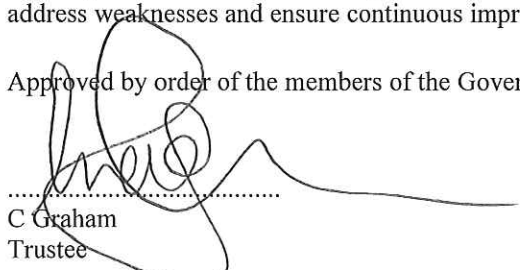
#### Review of effectiveness


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

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

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

Approved by order of the members of the Governing Body on 11/12/17 and signed on its behalf by:

  
.....  
C Graham  
Trustee

  
.....  
L Whittaker  
Accounting officer  
Trustee

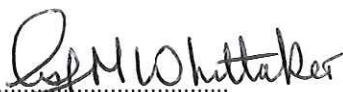
## Base Academy Trust

### Statement on Regularity, Propriety and Compliance

As Accounting Officer of Base Academy Trust I have considered my responsibility to notify the Academy Trust Governing Body 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 Governing Body 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 Governing Body and ESFA.

  
.....  
L Whittaker  
Accounting officer

Date: 11<sup>th</sup> December 2017

## Base Academy Trust

### Statement of Trustees' Responsibilities

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

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

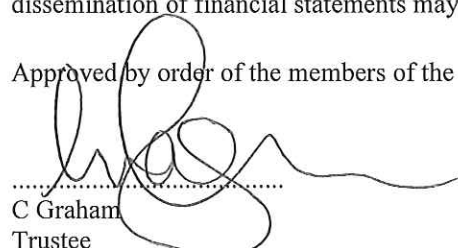
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 11/12/17 and signed on its behalf by:

  
.....  
C Graham  
Trustee



## **Base Academy Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of Base Academy Trust**

#### **Opinion**

We have audited the financial statements of Base Academy Trust (the 'Academy') for the year ended 31 August 2017, which comprise the Statement of Financial Activities incorporating Statement of Financial Activities Incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

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

#### **Basis for opinion**

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

#### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Trustee's report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **Base Academy Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of Base Academy Trust (continued)**

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

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

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

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

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

#### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 21, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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




## Base Academy Trust

### Independent Auditor's Report on the Financial Statements to the Members of Base Academy Trust (continued)

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

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

  
.....  
Mark Bradley (Senior Statutory Auditor)  
For and on behalf of Beever and Struthers, Statutory Auditor

Central Buildings  
Richmond Terrace  
Blackburn  
Lancashire  
BB1 7AP

Date: 11/12/2017 .....

## **Base Academy Trust**

### **Independent Reporting Accountant's Report on Regularity to Base Academy Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 2 February 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 Base Academy Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Base Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Base Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Base Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of the Trustee's accounting officer and the reporting accountant**

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

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

#### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review that the activities are in keeping with the Academy Trust's framework and charitable objectives; and
- Testing undertaken on a sample basis to review whether the Academy Trust's expenditure is in accordance with the Funding Agreement; and
- Other testing in accordance with the guidance issued in the Academies Accounts Direction 2016 to 2017.

## Base Academy Trust

### Independent Reporting Accountant's Report on Regularity to Base Academy Trust and the Education and Skills Funding Agency (continued)

#### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 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.



Mark Bradley

For and on behalf of Beever and Struthers, Chartered Accountants

Central Buildings  
Richmond Terrace  
Blackburn  
Lancashire  
BB1 7AP

Date: 11/12/2017



## Base Academy Trust

### Statement of Financial Activities for the Year Ended 31 August 2017 (including Income and Expenditure Account)

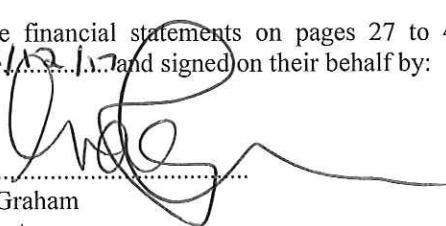
	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £	Total 2016 £
<b>Income and endowments from:</b>						
Transfer from local academy on conversion		-	-	-	-	3,378,816
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	2	247,881	3,215,065	-	3,462,946	337,347
Other trading activities	3	186,465	-	-	186,465	551
Investments	4	181	-	-	181	4
Total		434,527	3,215,065	-	3,649,592	3,716,718
<b>Expenditure on:</b>						
<i>Charitable activities:</i>						
Academy trust educational operations	6	(406,213)	(3,276,673)	(107,460)	(3,790,346)	(284,357)
Net income/(expenditure)		28,314	(61,608)	(107,460)	(140,754)	(3,432,361)
Transfer between funds		-	(36,785)	36,785	-	-
Actuarial (losses) / gains on defined benefit pension schemes	14,22	-	294,000	-	294,000	22,000
Net movement in funds/(deficit)		28,314	195,607	(70,675)	153,246	3,454,361
<b>Reconciliation of funds</b>						
Total funds/(deficit) brought forward at 1 September 2016	14	282,677	(1,449,055)	4,620,739	3,454,361	-
Total funds/(deficit) carried forward at 31 August 2017	14	310,991	(1,253,448)	4,550,064	3,607,607	3,454,361

# Base Academy Trust

## Balance Sheet as at 31 August 2017

	Note	31 August 2017 £	31 August 2016 £
<b>Fixed assets</b>			
Tangible assets	11	4,571,014	4,620,739
<b>Current assets</b>			
Debtors	12	82,277	169,000
Cash at bank and in hand		575,156	243,322
		<u>657,433</u>	<u>412,322</u>
Creditors: Amounts falling due within one year	13	<u>(295,840)</u>	<u>(65,700)</u>
Net current assets		<u>361,593</u>	<u>346,622</u>
Total assets less current liabilities		<u>4,932,607</u>	<u>4,967,361</u>
Net assets excluding pension liability		4,932,607	4,967,361
Pension scheme liability	22	<u>(1,325,000)</u>	<u>(1,513,000)</u>
Net assets including pension liability		<u>3,607,607</u>	<u>3,454,361</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		71,552	63,945
Restricted fixed asset fund		4,550,064	4,620,739
Restricted pension fund		<u>(1,325,000)</u>	<u>(1,513,000)</u>
		<u>3,296,616</u>	<u>3,171,684</u>
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>310,991</u>	<u>282,677</u>
Total funds		<u>3,607,607</u>	<u>3,454,361</u>

The financial statements on pages 27 to 46 were approved by the Trustees, and authorised for issue on 11/12/17 and signed on their behalf by:

  
C Graham  
Trustee

Registration number: 10227910

## Base Academy Trust

### Statement of Cash Flows for the Year Ended 31 August 2017

	Note	31 August 2017 £	31 August 2016 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	394,404	243,322
Cash flows from investing activities	19	(62,570)	-
Cash and cash equivalents at 1 September		243,322	-
Cash and cash equivalents at 31 August	20	575,156	243,322

## **Base Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2017**

#### **1 Accounting policies**

##### **Statement of accounting policies**

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

##### **Basis of preparation**

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

Base Academy Trust meets the definition of a public benefit entity under FRS 102.

##### **Going concern**

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

##### **Income**

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

##### **Grants**

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

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

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

##### **Donations**

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



## **Base Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)**

#### **1 Accounting policies (continued)**

##### ***Other income***

Other trading income, including the hire of facilities, childcare and catering 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***

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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.

##### ***Donated fixed assets***

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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.

##### ***Expenditure***

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

All resources expended are inclusive of irrecoverable VAT.

##### ***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.

## Base Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 1 Accounting policies (continued)

##### Tangible fixed assets

Assets are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, per the table below.

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.

Asset class	Depreciation method and rate
Leasehold land and buildings	over life of the lease (125 years)
Furniture and equipment	
- Fixtures, fittings and equipment	20% straight line
- ICT equipment	33% straight line
- Motor Vehicles	25% straight line

##### 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.

##### Leased assets

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

##### 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.



## **Base Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)**

#### **1 Accounting policies (continued)**

##### **Pension benefits**

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

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

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

##### **Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

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

##### **Critical accounting estimates and areas of judgement**

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

## Base Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 1 Accounting policies (continued)

##### *Critical accounting estimates and assumptions*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The trust has established that there are no areas of judgement which are deemed to be critical to the Academy trust's financial statements.

#### 2 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 31 August 2016 £
<b>DfE/ESFA revenue grants</b>				
General Annual Grant	-	2,573,096	2,573,096	214,396
Pupil Premium	-	349,308	349,308	34,565
Other EFA Funding	-	100,700	100,700	11,000
Start Up Grants	-	-	-	50,000
	-	3,023,104	3,023,104	309,961
<b>Other government grants</b>				
Local Authority grants	247,881	191,961	439,842	27,386
<b>Total grants</b>	247,881	3,215,065	3,462,946	337,347



## Base Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 3 Other trading activities

	Unrestricted funds £	Total 2017 £	Total 31 August 2016 £
Hire of facilities	4,916	4,916	551
Catering income	45,520	45,520	-
Nursery income	83,438	83,438	-
After school/holiday club	36,553	36,553	-
Uniform sales	1,827	1,827	-
General income	14,211	14,211	-
	<u>186,465</u>	<u>186,465</u>	<u>551</u>

#### 4 Investment income

	Unrestricted funds £	Total 2017 £	Total 31 August 2016 £
Short term deposits	181	181	4

#### 5 Expenditure

	Non Pay Expenditure			Total 2017 £	Total 31 August 2016 £
	Staff costs £	Premises £	Other costs £		
<b>Academy's educational operations</b>					
Direct costs	2,495,478	112,295	340,189	2,947,962	203,352
Allocated support costs	415,125	202,202	225,057	842,384	81,005
	<u>2,910,603</u>	<u>314,497</u>	<u>565,246</u>	<u>3,790,346</u>	<u>284,357</u>

#### Net income/(expenditure) for the year includes:

	31 August 2017 £	31 August 2016 £
Depreciation	112,295	8,955
Fees payable to auditor - audit	10,500	11,000
- other audit services	<u>4,500</u>	<u>2,550</u>

## Base Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 6 Charitable activities

	Total 2017 £	Total 31 August 2016 £
Direct costs - educational operations	2,947,962	203,352
Support costs - educational operations	842,384	81,005
	<u>3,790,346</u>	<u>284,357</u>

	Educational operations £	Total 2017 £	Total 31 August 2016 £
<b>Analysis of support costs</b>			
Support staff costs	415,125	415,125	35,608
Premises costs	202,202	202,202	8,255
Other support costs	225,057	225,057	37,142
Total support costs	<u>842,384</u>	<u>842,384</u>	<u>81,005</u>

#### 7 Staff

##### Staff costs

	2017 £	31 August 2016 £
<b>Staff costs during the year were:</b>		
Wages and salaries	2,197,701	182,633
Social security costs	171,789	13,566
Operating costs of defined benefit pension schemes	541,113	29,820
	<u>2,910,603</u>	<u>226,019</u>

##### Staff numbers

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

	31 August 2017 No	31 August 2016 No
<b>Charitable Activities</b>		
Teachers	28	27
Teaching support staff	48	52
Administration	6	6
Lunchtime Supervisors	16	13
Site and Catering	13	13
Management	5	6
	<u>116</u>	<u>117</u>

## Base Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 7 Staff (continued)

##### Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	31 August 2017 No	31 August 2016 No
£80,001 - £90,000	1	1

##### Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior leadership 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 £226,975 (2016: £1,162).

#### 8 Central services

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

#### 9 Related party transactions - trustees' remuneration and expenses

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

L Whittaker (Executive Headteacher and trustee):

Remuneration: £85,000 - £90,000 (2016 - £80,000 - £85,000)

Employer's pension contributions: £10,000 - £15,000 (2016 - £0 - £5,000)

Other related party transactions involving the trustees are set out in note 23.



## Base Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 10 Trustees' and officers' insurance

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

#### 11 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Total £
<b>Cost</b>			
At 1 September 2016	4,300,000	329,694	4,629,694
Additions	-	62,570	62,570
At 31 August 2017	4,300,000	392,264	4,692,264
<b>Depreciation</b>			
At 1 September 2016	2,867	6,088	8,955
Charge for the year	34,400	77,895	112,295
At 31 August 2017	37,267	83,983	121,250
<b>Net book value</b>			
At 31 August 2017	4,262,733	308,281	4,571,014
At 31 August 2016	4,297,133	323,606	4,620,739

#### 12 Debtors

	31 August 2017 £	31 August 2016 £
Trade debtors	909	2,363
VAT recoverable	31,178	5,696
Other debtors	-	105,750
Prepayments	13,192	16,801
Accrued grant and other income	36,998	38,390
	82,277	169,000

#### 13 Creditors: amounts falling due within one year

	31 August 2017 £	31 August 2016 £
Trade creditors	51,148	31,221
Other creditors	15,873	10,417
Accruals	228,819	24,062
	295,840	65,700

## Base Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 14 Funds

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	16,452	2,573,096	(2,386,671)	(131,325)	71,552
Start Up Grant	29,207	-	(29,207)	-	-
Other Government Grants	-	292,661	(292,661)	-	-
Pupil Premium	18,286	349,308	(462,134)	94,540	-
	<u>63,945</u>	<u>3,215,065</u>	<u>(3,170,673)</u>	<u>(36,785)</u>	<u>71,552</u>
<b>Restricted fixed asset funds</b>					
Transferred on conversion	4,620,739	-	(107,460)	-	4,513,279
Funded from GAG	-	-	-	36,785	36,785
Total restricted funds	<u>4,620,739</u>	<u>-</u>	<u>(107,460)</u>	<u>36,785</u>	<u>4,550,064</u>
<b>Restricted pension funds</b>					
Pension Reserve	(1,513,000)	-	(106,000)	294,000	(1,325,000)
Total restricted funds	<u>3,171,684</u>	<u>3,215,065</u>	<u>(3,384,133)</u>	<u>294,000</u>	<u>3,296,616</u>
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>282,677</u>	<u>434,527</u>	<u>(406,213)</u>	<u>-</u>	<u>310,991</u>
Total funds	<u>3,454,361</u>	<u>3,649,592</u>	<u>(3,790,346)</u>	<u>294,000</u>	<u>3,607,607</u>

#### Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total £
Red Lane Primary School	346,520
Masefield Primary School	<u>72,808</u>
Total before fixed assets and pension reserve	419,328
Transferred on conversion	4,513,279
Pension Reserve	<u>(1,325,000)</u>
Total	<u>3,607,607</u>

## Base Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 14 Funds (continued)

##### Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2017 £
Red Lane Primary School	1,638,167	311,394	147,467	326,307	2,423,335
Masefield Primary School	857,311	103,731	68,223	225,451	1,254,716
Academy Trust	2,495,478	415,125	215,690	551,758	3,678,051

#### 15 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	20,950	-	4,550,064	4,571,014
Current assets	653,015	4,418	-	657,433
Current liabilities	(362,974)	67,134	-	(295,840)
Pension scheme liability	-	(1,325,000)	-	(1,325,000)
Total net assets	310,991	(1,253,448)	4,550,064	3,607,607

#### 16 Capital commitments

	31 August 2017 £	31 August 2016 £
Contracted for, but not provided in the financial statements	-	26,005

#### 17 Commitments under operating leases

##### Operating leases

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

	31 August 2017 £	31 August 2016 £
Amounts due less than one year	7,478	6,565
Amounts due between one and five years	6,977	14,455
Amounts due after five years	-	-
	14,455	21,020



## Base Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 18 Reconciliation of net (expenditure)/income to net cash inflow from operating activities

	31 August 2017	31 August 2016
	£	£
Net (expenditure)/income	(140,754)	3,454,361
Depreciation	112,295	8,955
Decrease/(increase) in debtors	86,723	(169,000)
Increase in creditors	230,140	65,700
Pension interest	32,000	(2,000)
Net of pension contributions and current service cost	74,000	(18,000)
Assets acquired on conversion to an academy Trust	-	(3,096,684)
	<hr/>	<hr/>
Net cash provided by Operating Activities	394,404	243,322

#### 19 Cash flows from investing activities

	2017	2016
	£	£
Purchase of tangible fixed assets	(62,570)	-
	<hr/>	<hr/>
Net cash absorbed by investing activities	(62,570)	-

#### 20 Analysis of cash and cash equivalents

	At 31 August	At 31 August
	2017	2016
	£	£
Cash at bank and in hand	575,156	243,322
	<hr/>	<hr/>
Total cash and cash equivalents	575,156	243,322

#### 21 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.

## **Base Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)**

#### **22 Pension and similar obligations**

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

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

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

#### **Teachers' Pension Scheme**

##### **Introduction**

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

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

##### **Valuation of the Teachers' Pension Scheme**

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (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%.

## Base Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 22 Pension and similar obligations (continued)

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

The employer's pension costs paid to TPS in the period amounted to £467,175 (2016: £11,749).

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

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

#### Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £349,000 (2016 - £23,000), of which employer's contributions totalled £295,000 (2016 - £18,000) and employees' contributions totalled £54,000 (2016 - £5,000). The agreed contribution rates for future years are percent for employers and percent for employees.

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

#### Principal actuarial assumptions

	At 31 August 2017 %	At 31 August 2016 %
Rate of increase in salaries	3.20	3.40
Rate of increase for pensions in payment/inflation	2.40	2.10
Discount rate for scheme liabilities	2.50	2.10

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

	At 31 August 2017	At 31 August 2016
<b>Retiring today</b>		
Males retiring today	21.50	21.40
Females retiring today	24.10	24.00
<b>Retiring in 20 years</b>		
Males retiring in 20 years	23.70	24.00
Females retiring in 20 years	26.20	26.60



## Base Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 22 Pension and similar obligations (continued)

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

	At 31 August 2017 £	At 31 August 2016 £
Equities	1,104,490	717,840
Government bonds	242,080	169,490
Property	90,780	59,820
Cash and other liquid assets	75,650	49,850
Total market value of assets	<u>1,513,000</u>	<u>997,000</u>

The actual return on scheme assets was £668,000 (2016 - £47,000).

#### Amounts recognised in the statement of financial activities

	31 August 2017 £	31 August 2016 £
Net interest cost	32,000	2,000
Current service cost (net of employee contributions)	369,000	18,000
Total amount recognized in the SOFA	<u>401,000</u>	<u>20,000</u>

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

	31 August 2017 £	31 August 2016 £
At start of period	2,510,000	2,483,000
Current service cost	369,000	18,000
Interest cost	57,000	4,000
Employee contributions	54,000	5,000
Actuarial (gain)/loss	(152,000)	-
At 31 August	<u>2,838,000</u>	<u>2,510,000</u>

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

	31 August 2017 £	31 August 2016 £
At start of period	997,000	950,000
Interest income	25,000	2,000
Actuarial gain/(loss)	142,000	22,000
Employer contributions	295,000	23,000
Employee contributions	54,000	-
At 31 August	<u>1,513,000</u>	<u>997,000</u>

## **Base Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)**

#### **23 Related party transactions**

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

Prior to conversion the school had taken out a Service Level Agreement with Global Policing from April 16-March 17. This company is owned by one of the Trustees that resigned during the year Mr S O'Neill. A decision has been taken that the service will not be reviewed next April 2017. The amounts invoiced during the year amounted to £8,454.

## Base Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

#### 24 Prior year Statement of Financial Activities

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £
<b>Income and endowments from:</b>					
Transfer from local authority on conversion		282,122	(1,533,000)	4,629,694	3,378,816
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	2	-	337,347	-	337,347
Other trading activities	3	551	-	-	551
Investments	4	4	-	-	4
Total		282,677	(1,195,653)	4,629,694	3,716,718
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	6	-	(275,402)	(8,955)	(284,357)
Net income		282,677	(1,471,055)	4,620,739	3,432,361
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension scheme	22	-	22,000	-	22,000
Net movement in funds		282,677	(1,449,055)	4,620,739	3,454,361
<b>Reconciliation of funds</b>					
Total funds carried forward at 31 August 2016		282,677	(1,449,055)	4,620,739	3,454,361