
Financial Statements
For the year ended 31 August 2018

Base Academy Trust

BEEVER
AND
STRUTHERS

CHARTERED ACCOUNTANTS
AND BUSINESS ADVISORS

Base Academy Trust

Reference and Administrative Details

Members

C Graham
A Combes
A Connell
R Allanson
R Mercer

Trustees (Directors)

C Caldwell (resigned 13 March 2018)
C Graham
A Gutz (resigned 23 March 2018)
A Quigley
D Webb
L Whittaker
E Morris
D Overbury
D Bartle (appointed 2 February 2018)

Senior Leadership Team and Key Management Personnel

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

Company Registration Number

10227910

Principal and Registered Office

Red Lane Primary School
Red Lane
Breightmet
Bolton
BL2 5HP

Auditors

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

Bankers

Lloyds Bank plc	Royal Bank of Scotland
9 Hotel Street	46 – 48 Deansgate
Bolton	Bolton
BL1 1DB	BL1 1BH

Solicitors

Browne Jacobson LLP
14th Floor
No.1 Spinningfields
1 Hardman Square
Manchester
M3 3EB

Base Academy Trust

Trustees' Report for the Year Ended 31 August 2018

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1st September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, strategic 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 Breightmet 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 104 Nursery and 23 under 3s as reported in the school Census in May 2018.

Discussion on conversion to academy trust

On 13 June 2016 the BASE Academy Trust was formed having trust status under the Academies Act 2010 and all the operations assets and liabilities of Red Lane Primary School (Red Lane) and Masefield Primary School (Masefield) were transferred to BASE Academy Trust from the Local Authority for £Nil consideration.

Structure, governance and management

Constitution

Red Lane and Masefield 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.

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. 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.

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Trustees' Report for the Year Ended 31 August 2018 (continued)

Policies and procedures adopted for the induction and training of Trustees (continued)

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 Local Governing Bodies (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.

Trustees of the MAT are:

Mr C Graham (Chairman)
Mrs A Quigley (Vice Chairman)
Mrs L M Whittaker (Executive Headteacher/Accounting Officer)
Mr A Gutz (Resigned 23/3/18)
Mr C Caldwell (Resigned 13/3/18)
Mr D Webb
Ms E Morris
Mr D Overbury
Mrs D Bartle (Appointed 2/2/18)

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Trustees' Report for the Year Ended 31 August 2018 (continued)

Resources Committee (Finance, Personnel, Premises and Safety)

Ms E Morris (Chair)

Mr C Graham

Mrs L Whittaker

Mrs D Bartle

Vacancy

Standards Achievement and Inclusion Committee

Mrs A Quigley (Chair)

Mrs L Whittaker

Mr C Graham

Mr D Overbury

Mr D Webb

Performance Management Committee

Mrs Anne Quigley (Chair)

Mr C Graham

Mrs D Bartle

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

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 17/18 on the 26/9/17. The committee also reviewed all other pay increases in a report given by the Executive Head teacher. 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

There are no services provided by connected organisations, including related party relationships, within the Trust.

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.

Base Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

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.

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.

Base Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Objectives and activities (Continued...)

- 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.
- Red Lane and Masfield both have clear Improvement Plans for 2018/2019; the progress towards the development plan will be monitored by the Trustees and LGBs on a termly basis.

The main objectives for 2017/2018 were:

Red Lane Primary/Masfield Primary School Improvement	
Priority 1 – <i>To improve the attainment and increase the rates of progress of the lower ability pupils across KS2.</i>	The attainment and progress of lower ability pupils has increased throughout the year but remains to be a key focus next year so an increased number of pupils reach age related expectations.
Priority 2 – <i>To actively promote an ethos focussing on improving the skills, experiences and life choices of pupils as effective learners and future citizens.</i>	Many successful activities that have taken place throughout the year have increased pupil aspiration and motivation towards learning. Many pupils have developed and increased skills in resilience and cooperation by taking part in Commando Joe learning. This area has developed cross school participation e.g. the university project.
Priority 3 – <i>To continue to raise standards and increase rates of progress in reading throughout school.</i>	The changes to the teaching and learning in reading have led to an increase the rates of progress this year but this will need to be further embedded next year to see consistent improvements.
Priority 4 – <i>To refine a whole school high quality curriculum that meets the needs of all pupils, impacting positively, reducing barriers and maximising learning.</i>	The school's curriculum has been further developed by the refinement of our enrichment programme for pupils. Pupils have been motivated by visits and visitors including 'The brain company' Pupils have presented their learning to parents and local community.
Priority 5 – <i>To raise standards and improve the provision of computing and on line safety across the school</i>	The schools have continued to refine computing throughout every year group. The number of resources have increased to provide pupils with greater use of technology and equipment. Increased parent participation at information sessions has impacted positively in parents knowing more about on line safety.

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 2018 (continued)

Strategic Report

The strategic focus of the Trust during 2017/2018 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
61%	53 %	72 %

Masefield EYFS pupils' good level of development is 11% below National in 2018. Usually this is in line with National, however this cohort was significantly lower than other years due to a falling birth rate and the cohort had a higher number of pupils that were on the SEND register. However 85% of pupils made 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% made 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
80%	75%	83%

Red Lanes data will be 81% when the data is validated as a number of pupils were disapplied. Both Masefield and Red Lane year 1 phonic data is in line with National average.

Percentage of pupils achieving the phonic standard at the end of Year 2		
Masefield	Red Lane	National
95%	87%	92%

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 2018 (continued)

Achievements and performance (continued)

Key Stage 1			
	Masefield	Red Lane	National
% of pupils attaining the Expected Standard in reading	68%	67%	75%
% of pupils attaining Greater Depth in reading	13%	20%	26%
% of pupils attaining the Expected Standard in writing	65%	57%	70%
% of pupils attaining Greater Depth in writing	8%	10%	16%
% of pupils attaining the Expected Standard in maths	73%	63%	76%
% of pupils attaining Greater Depth in maths	20%	15%	22%

At Masefield the pupils' attainment in reading, writing and maths is lower than National at the Expected Standard with the largest gap being reading. The pupils' attainment in reading and writing is lower than National at Greater Depth and maths is in line. However the attainment is higher in all three subjects than last year.

At Red Lane the pupils' attainment in reading is slightly lower than National at Expected and at Greater Depth. Progress throughout KS1 remains to be strong.

Base Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report (Continued...)

Key Stage 2			
	Masefield	Red Lane	National
% of pupils attaining the Expected Standard in reading	87%	58 %	75%
% of pupils attaining Greater Depth Standard in reading	18%	17%	28%
Reading Progress Score	+1.6	-1.6	0
% of pupils attaining the Expected Standard in writing	85%	60%	78%
% of pupils attaining Greater Depth Standard in writing	18%	7%	20%
Writing Progress Score	+1.6	-2.4	0
% of pupils attaining the Expected Standard in spelling, punctuation and grammar	95%	58%	78%
% of pupils attaining Greater Depth Standard in spelling, punctuation and grammar	51%	28%	34%
% of pupils attaining the Expected Standard in maths	90%	65%	76%
% of pupils attaining Greater Depth Standard in maths	26%	20%	24%
Maths Progress Score	+3.7	-0.5	0

Masefield

At Masefield the pupils' attainment in reading, writing and maths is higher than National at the Expected Standard. At the Greater Depth Standard it is lower in reading but slightly higher in maths, in line in writing and significantly higher in spelling, punctuation and grammar.

The pupils have made good progress throughout Key Stage 2 in reading and writing and strong progress in maths. .

Red Lane

At Red Lane the pupils' attainment in reading, writing, SPAG and maths is lower than National at the Expected standard with the greatest gap being reading and writing. At the Greater Depth Standard pupils' attainment is lower than National with the greatest gap being in reading. The progress that pupils make is lower than pupils Nationally. However the attainment and progress has risen since last year.

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Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report (Continued...)

Key Performance Indicators-Attendance data

Attendance

Red Lane Primary		
Attendance		
	06/09/16 -22/07/17	05/09/17 -22/07/18
Total attendance	95.7%	94.9%
Authorised Absences	3.5%	3.9%
Unauthorised absences	0.8%	1.2%

Maselfield Primary		
Attendance		
	06/09/16 -22/07/17	05/09/17 -22/07/18
Total attendance	95.5%	95.9%
Authorised Absences	3.2%	2.8%
Unauthorised absences	1.3%	1.3%

Post balance sheet events

There has been a serious fire at Red Lane Primary School during the half term in October 2018. This is still an ongoing police investigation. There were no related injuries. Damage and losses are recoverable under the schools insurance policy meaning financial impact at the school is minimal.

The school implemented its robust and systematic business continuity plan which also ensured impact was minimal. School was closed to EYFS pupils for 2 days. Full repairs are estimated to take up to 6 months. The school received many donations from local businesses and the local community of which we are very grateful.

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 £4,065,443 (2017: £3,649,592).

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 £3,180,765 (2017: £3,023,104) and further details are provided in Note 3 to the accounts.

Total outgoing resources for the period were £3,904,899 (2017: £3,790,346) the majority of which related to the direct provision of educational operations. The excess of income over expenditure was £160,544 (2017: £140,754 excess expenditure over income).

At the year end the Academy's total reserves were £4,172,151 (2017: £3,607,607) including unrestricted funds of £326,220 (2017: £310,991), and restricted funds of £3,845,931 (2017: £3,296,616) of which restricted fixed asset funds are £4,760,760 (2017: £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 2018 all assets shown in the financial statements were used exclusively for providing education and associated support services to students of the Academy.

Base Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Reserves policy

At 31 August 2018 the school held GAG reserves of £102,171 (2017: £71,552). 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' policy to aim to hold approximately 3 months' expenditure in unrestricted reserves, to provide an additional cushion over and above the restricted GAG reserve.

At 31 August 2018 the level of unrestricted reserves held was £326,220 (2017: £310,991).

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 2018 was £580,814 (2017: £575,156).

Principal risks and uncertainties

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

Fundraising

BASE Academy Trust has not undertaken any major fundraising campaigns and there has been no major fundraising during 17/18.

Plans for future periods

Red Lane's main annual objectives for the next academic year 2018/2019 are:

- To continue to raise standards and increase rates of progress in English throughout the school.
- To continue to increase standards and rates of progress across Key Stage 2.
- To improve vocabulary acquisition and comprehension in order to improve language skills and maximise learning for all pupils.
- To continue to improve provision and outcomes for all vulnerable groups of pupils throughout school (LA, FSM/Ever 6, SEN and EAL)
- To embed a whole school high quality curriculum that meets the needs of all pupils, impacting positively, reducing barriers and maximising learning.

Masefield's main annual objectives for the next academic year 2018/2019 are:

- To continue to raise standards and increase rates of progress in English throughout the school.
- To continue to increase standards and rates of progress across Key Stage 1.
- To improve vocabulary acquisition and comprehension in order to improve language skills and maximise learning for all pupils.
- To continue to improve provision and outcomes for all vulnerable groups of pupils throughout school (LA, FSM/Ever 6, SEN, EAL and G&T)

Trustees' Report for the Year Ended 31 August 2018 (continued)

- To embed a whole school high quality curriculum that meets the needs of all pupils, impacting positively, reducing barriers and maximising learning.

Funds held as Custodian Trustee on Behalf of Others

There are no funds held as Custodian Trustee on behalf of others.

Auditor

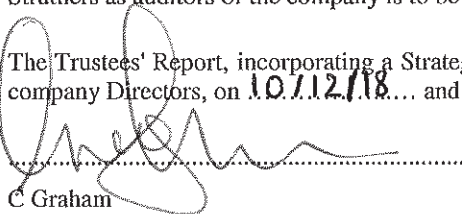
In so far as the Trustees are aware:

- 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.

The Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company Directors, on 10/12/18... and signed on its behalf by:



C Graham
Trustee

Base Academy Trust

Governance Statement for the Year Ended 31 August 2018

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 Trustees have 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. She is also responsible for reporting to the Trustees any material weaknesses or breakdowns in internal control.

The Trustees have reviewed 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.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Trustees have formally met 5 times during the year.

Trustee	Meetings attended	Out of a possible
Mr C Graham (Chairman)	4	4
Mrs A Quigley (Vice Chairman)	4	4
Mrs L M Whittaker (Executive Headteacher/ Accounting Officer)	4	4
Mr A Gutzu	0	3
Mr C Caldwell	0	4
Mr D Webb	4	4
Ms E Morris	4	4
Mr D Overbury	3	4
Mrs D Bartle (Appointed 2 February 2018)	1	1

The Members Board and Board of Trustees have reviewed governance and evaluated their composition. The Trustees have increased their HR and leadership skill set in the appointment of Mrs D Bartle. 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 prior 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
Mr D Overbury (Chair)	1	4
Mrs A Quigley	4	4
Mrs L Whittaker	4	4
Mr D Webb	1	1
Mr C Graham	4	4
Mr C Caldwell	1	4

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Governance Statement for the Year Ended 31 August 2018 (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.

Trustee	Meetings attended	Out of a possible
Ms E Morris (Chair)	4	4
Mr C Graham	4	4
Mrs L Whittaker	4	4
Mr A Gutzü	1	3
Mr D Webb	3	4
Mrs D Bartle	1	1
Mrs Anne Quigley (Chair)	1	2

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.

Trustee	Meetings attended	Out of a possible
Mrs Anne Quigley (Chair)	1	1
Mr C Graham	1	1
Mr A Gutzü	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.

Trustee	Meetings attended	Out of a possible
Mr C Graham	4	4
Mrs A Quigley (Chair)	4	4
Mrs L Whittaker	4	4
Mr C Caldwell	1	4
Mr D Overbury	1	4
Mr D Webb	1	1

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 school level.

Masefield LGB

Governor	Meetings attended	Out of a possible
Mrs A Quigley (Chair)	4	4
Mrs B Winter-Hardman	4	4
Mrs M Connell	2	3
Ms K Bolton	1	3
Mr J Gifford	1	4
Ms N Barnes	4	4
Miss L Royle	4	4
Miss G Yapp	4	4
Mrs L Whittaker	4	4
Mrs G Houghton	3	4

Base Academy Trust

Governance Statement for the Year Ended 31 August 2018 (continued)

Red Lane LGB

Governor

	Meetings attended	Out of a possible
Mrs A Combes	4	4
Mr C Caldwell	0	4
Mrs K Adamson	2	4
Mrs J Williams	1	1
Mrs M Tuckley	4	4
Mrs L Driver	4	4
Mrs P Braiden	4	4
Mrs S Wilson	4	4
Mrs R Driver/ Mrs J Cromey	4	4
Mrs L Whittaker	4	4
Miss C Moran	3	3

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 expertise ensured both schools were successful in securing a capital fund bid in each school. This has improved the health, safety and fire safety in both schools
- Upgrade of ICT equipment-iPads and training has enhanced the provision across the two schools.
- Replacement of fencing at Masefield and Red Lanes outside areas. 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.
- Sharing expertise on establishing and running an out of school club has enabled Masefield to secure more funds for their school.

Base Academy Trust

Governance Statement for the Year Ended 31 August 2018 (continued)

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 period of 1st Sept 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Trustees have 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 Trustees are of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

The risk register was produced on 1st October 2016 and approved by the Trust Board on the 5th December 2016. This risk register has been reviewed by the Audit and Risk Committee termly and reported to the Trust Board.

The Risk and Control Framework

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

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

The Trust Board considered the need for a specific internal audit and the Trust Boards designed a programme for 2017-18 with Beever and Struthers Manchester team. The internal audits focussed on the risk registers and Risk Management policies and Purchases.

Regular reports were 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.

On a quarterly basis, the Accounting Officer reported to the Trustees on the operation of the systems of control and on the discharge of the 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:

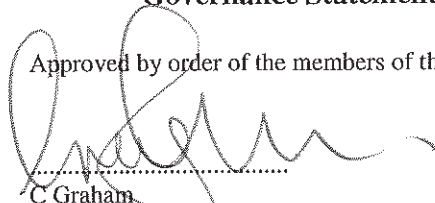
- The work of the External auditor
- The financial management and governance self-assessment process
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

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


Base Academy Trust

Governance Statement for the Year Ended 31 August 2018 (continued)

Approved by order of the members of the Trust Board on 10/12/18 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 Board of Trustees and the Education and Skills Funding Agency 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 2017.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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



L Whittaker
Accounting officer

Date: 10/12/18

Base Academy Trust

Statement of Trustees' Responsibilities

The Trustees (who are 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:

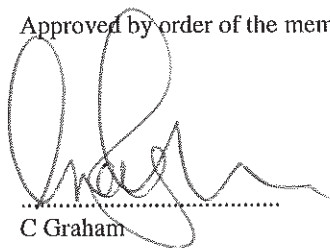
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 10/12/18 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 2018, which comprise the 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 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 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 2017 to 2018 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 (who are also the directors of the academy trust for the purposes of company law) 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 19, 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.

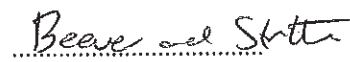
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Base Academy Trust

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

Use of our report

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.


Mark Bradley BA FCA
For and on behalf of Beever and Struthers, Statutory Auditor

Central Buildings
Richmond Terrace
Blackburn
Lancashire
BB1 7AP

Date: 10/12/18

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 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Base Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- 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 2017 to 2018.

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

Beever & Struthers

Mark Bradley BA FCA

For and on behalf of Beever and Struthers, Chartered Accountants

Central Buildings
Richmond Terrace
Blackburn
Lancashire
BB1 7AP

Date: *10/12/18*.....

Base Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2018 £	Total 2017 £
Income and endowments from:						
Donations and capital grants	2	-	-	274,640	274,640	-
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	3,596,597	-	3,596,597	3,462,946
Other trading activities	4	134,376	59,517	-	193,893	186,465
Investments	5	313	-	-	313	181
Total		134,689	3,656,114	274,640	4,065,443	3,649,592
Expenditure on:						
<i>Charitable activities:</i>						
Academy trust educational operations	6	(119,460)	(3,662,914)	(122,525)	(3,904,899)	(3,790,346)
Net income/(expenditure)		15,229	(6,800)	152,115	160,544	(140,754)
Transfer between funds	15	-	(58,581)	58,581	-	-
Actuarial gains on defined benefit pension schemes	15,23	-	404,000	-	404,000	294,000
Net movement in funds		15,229	338,619	210,696	564,544	153,246
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2017	15	310,991	(1,253,448)	4,550,064	3,607,607	3,454,361
Total funds/(deficit) carried forward at 31 August 2018	15	326,220	(914,829)	4,760,760	4,172,151	3,607,607

All of the academy trust's activities derive from continuing activities during the above financial year.

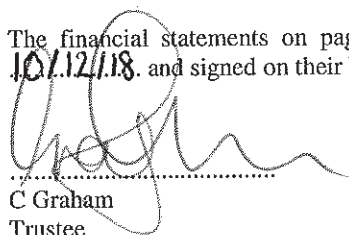
The comparative Statement of Financial Activities can be found in note 25 to the financial statements.

Base Academy Trust

Balance Sheet as at 31 August 2018

	Note	31 August 2018 £	31 August 2017 £
Fixed assets			
Tangible assets	12	4,719,856	4,571,014
Current assets			
Debtors	13	159,254	82,277
Cash at bank and in hand		580,814	575,156
		<u>740,068</u>	<u>657,433</u>
Creditors: Amounts falling due within one year	14	<u>(270,773)</u>	<u>(295,840)</u>
Net current assets		<u>469,295</u>	<u>361,593</u>
Total assets less current liabilities		<u>5,189,151</u>	<u>4,932,607</u>
Net assets excluding pension liability		5,189,151	4,932,607
Pension scheme liability	23	<u>(1,017,000)</u>	<u>(1,325,000)</u>
Net assets including pension liability		<u>4,172,151</u>	<u>3,607,607</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund	15	102,171	71,552
Restricted fixed asset fund	15	4,760,760	4,550,064
Restricted pension fund	15	<u>(1,017,000)</u>	<u>(1,325,000)</u>
		3,845,931	3,296,616
Unrestricted funds			
Unrestricted general fund	15	<u>326,220</u>	<u>310,991</u>
Total funds		<u>4,172,151</u>	<u>3,607,607</u>

The financial statements on pages 25 to 46 were approved by the Trustees, and authorised for issue on 10/12/18, 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 2018

	Note	31 August 2018 £	31 August 2017 £
Cash flows from operating activities			
Net cash (used in) / provided by operating activities	18	(149,514)	394,404
Cash flows from financing activities	19	313	-
Cash flows from investing activities	20	154,859	(62,570)
Increase in cash and cash equivalents in the year		5,658	331,834
Cash and cash equivalents at 1 September 2017		575,156	243,322
Cash and cash equivalents at 31 August 2018	21	580,814	575,156

All of the cash flows are derived from continuing operations in the current financial period.

Base Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

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 2017 to 2018 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.

Sponsorship income

Sponsorship income provided to the academy trust which amount to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Base Academy Trust

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

1 Accounting policies (continued)

Other income

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

Donated goods, facilities and services

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.

Expenditure on raising funds

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

Other trading activities

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.

Base Academy Trust

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

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

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

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

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in 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.

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is no obligation to deliver services rather than cash or another financial instruments.

Base Academy Trust

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

1 Accounting policies (continued)

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.

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 2018 (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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

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 Donations and capital grants

	Restricted fixed asset funds £	Total 2018 £	Total 2017 £
Capital grants	274,640	274,640	-

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE/ESFA revenue grants				
General Annual Grant	-	2,594,257	2,594,257	2,573,096
Pupil Premium	-	474,307	474,307	349,308
Other EFA Funding	-	112,201	112,201	100,700
	-	3,180,765	3,180,765	3,023,104
Other government grants				
Local Authority grants	-	415,832	415,832	439,842
Total grants	-	3,596,597	3,596,597	3,462,946

Base Academy Trust

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

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	4,940	-	4,940	4,916
Catering income	53,483	-	53,483	45,520
Nursery income	-	59,517	59,517	83,438
After school/holiday club	34,896	-	34,896	36,553
Uniform sales	159	-	159	1,827
General income	40,898	-	40,898	14,211
	<u>134,376</u>	<u>59,517</u>	<u>193,893</u>	<u>186,465</u>

5 Investment income

	Unrestricted funds £	Total 2018 £	Total 31 August 2017 £
Short term deposits	<u>313</u>	<u>313</u>	<u>181</u>

6 Expenditure

	Non Pay Expenditure			Total 2018 £	Total 2017 £
	Staff costs £	Premises £	Other costs £		
Academy's educational operations					
Direct costs	2,470,903	-	509,973	2,980,876	2,947,962
Allocated support costs	407,666	223,005	293,352	924,023	842,384
	<u>2,878,569</u>	<u>223,005</u>	<u>803,325</u>	<u>3,904,899</u>	<u>3,790,346</u>

Net income/(expenditure) for the year includes:

	31 August 2018 £	2017 £
Depreciation	128,972	112,295
Fees payable to auditor - audit	8,750	10,500
- other audit services	<u>4,468</u>	<u>4,500</u>

Base Academy Trust

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

7 Charitable activities

	Total 2018 £	Total 2017 £
Direct costs - educational operations	2,980,876	2,947,962
Support costs - educational operations	924,023	842,384
	<u>3,904,899</u>	<u>3,790,346</u>

	Educational operations £	Total 2018 £	Total 2017 £
Analysis of support costs			
Support staff costs	407,666	407,666	415,125
Technology costs	9,486	9,486	-
Premises costs	223,005	223,005	202,202
Other support costs	275,116	275,116	216,557
Governance costs	8,750	8,750	8,500
Total support costs	<u>924,023</u>	<u>924,023</u>	<u>842,384</u>

8 Staff

Staff costs

	31 August 2018 £	31 August 2017 £
Staff costs during the year were:		
Wages and salaries	2,127,833	2,197,701
Social security costs	173,440	171,789
Operating costs of defined benefit pension schemes	517,156	541,113
	<u>2,818,429</u>	<u>2,910,603</u>

Staff numbers

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

	31 August 2018 No	31 August 2017 No
Charitable Activities		
Teachers	29	28
Teachers support staff	49	48
Administration	7	6
Lunchtime Supervisors	12	16
Site and Catering	13	13
Management	5	5
	<u>115</u>	<u>116</u>

Base Academy Trust

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

8 Staff (continued)

Higher paid staff

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

	31 August 2018 No	31 August 2017 No
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-

The above employees participated in the Teachers' Pension Scheme. During the year pension contributions for these staff members amounted to £14,959 (2017: £14,452).

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 £265,926 (2017: £226,975). This year includes maternity cover for one of the key management personnel.

9 Central services

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

10 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: £90,000 - £95,000 (2017 - £85,000 - £90,000)

Employer's pension contributions: £10,000 - £15,000 (2017 - £10,000 - £15,000)

Other related party transactions involving the trustees are set out in note 24.

Base Academy Trust

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

11 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.

12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 September 2017	4,300,000	392,264	4,692,264
Additions	-	277,814	277,814
At 31 August 2018	4,300,000	670,078	4,970,078
Depreciation			
At 1 September 2017	37,267	83,983	121,250
Charge for the year	34,400	94,572	128,972
At 31 August 2018	71,667	178,555	250,222
Net book value			
At 31 August 2018	4,228,333	491,523	4,719,856
At 31 August 2017	4,262,733	308,281	4,571,014

13 Debtors

	31 August 2018 £	31 August 2017 £
Trade debtors	3,769	909
VAT recoverable	32,758	31,178
Prepayments	11,135	13,192
Accrued grant and other income	111,592	36,998
	159,254	82,277

14 Creditors: amounts falling due within one year

	31 August 2018 £	31 August 2017 £
Trade creditors	7,796	51,148
Other creditors	23,197	15,873
Accruals	239,780	228,819
	270,773	295,840

Base Academy Trust

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

15 Funds

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	71,552	2,594,257	(2,560,901)	(2,737)	102,171
Pupil Premium	-	474,307	(483,397)	9,090	-
Other Government Grants and income:					
Nursery	-	374,952	(310,018)	(64,934)	-
Other	-	212,598	(212,598)	-	-
	<u>71,552</u>	<u>3,656,114</u>	<u>(3,566,914)</u>	<u>(58,581)</u>	<u>102,171</u>
Restricted fixed asset funds					
Transferred on conversion	4,513,279	-	(108,466)	-	4,404,813
DfE/ESFA capital grants	-	258,029	-	-	258,029
Funded from GAG	36,785	16,611	(14,059)	58,581	97,918
	<u>4,550,064</u>	<u>274,640</u>	<u>(122,525)</u>	<u>58,581</u>	<u>4,760,760</u>
Restricted pension funds					
Pension Reserve	(1,325,000)	-	(96,000)	404,000	(1,017,000)
Total restricted funds	<u>3,296,616</u>	<u>3,930,754</u>	<u>(3,785,439)</u>	<u>404,000</u>	<u>3,845,931</u>
Unrestricted funds					
Unrestricted general funds	<u>310,991</u>	<u>134,689</u>	<u>(119,460)</u>	<u>-</u>	<u>326,220</u>
Total funds	<u>3,607,607</u>	<u>4,065,443</u>	<u>(3,904,899)</u>	<u>404,000</u>	<u>4,172,151</u>

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total £
Red Lane Primary School	469,856
Masefield Primary School	<u>(41,465)</u>
Total before fixed assets and pension reserve	428,391
Fixed asset fund	4,760,760
Pension Reserve	<u>(1,017,000)</u>
Total	<u>4,172,151</u>

Base Academy Trust

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

15 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 2018 £
Red Lane Primary School	1,502,133	298,958	189,591	369,383	2,360,065
Masefield Primary School	908,630	108,708	133,956	264,568	1,415,862
Academy Trust	2,410,763	407,666	323,547	633,951	3,775,927

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
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	-
	63,945	3,215,065	(3,170,673)	(36,785)	71,552
Restricted fixed asset funds					
Transferred on conversion	4,620,739	-	(107,460)	-	4,513,279
Funded from GAG	-	-	-	36,785	36,785
Total restricted funds	4,620,739	-	(107,460)	36,785	4,550,064
Restricted pension funds					
Pension Reserve	(1,513,000)	-	(106,000)	294,000	(1,325,000)
Total restricted funds	3,171,684	3,215,065	(3,384,133)	294,000	3,296,616
Unrestricted funds					
Unrestricted general funds	282,677	434,527	(406,213)	-	310,991
Total funds	3,454,361	3,649,592	(3,790,346)	294,000	3,607,607

Base Academy Trust

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

15 Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total £
Red Lane Primary School	346,530
Masefield Primary School	36,013
Total before fixed assets and pension reserve	382,543
Fixed asset fund	4,550,064
Pension Reserve	(1,325,000)
Total	3,607,607

	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

16 Analysis of net assets between funds 2018

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	14,504	-	4,705,352	4,719,856
Current assets	3,769	129,682	25,803	159,254
Cash at bank and in hand	307,947	59,426	213,441	580,814
Current liabilities	-	(86,937)	(183,836)	(270,773)
Pension scheme liability	-	(1,017,000)	-	(1,017,000)
Total net assets	326,220	(914,829)	4,760,760	4,172,151

Base Academy Trust

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

16 Funds (continued)

Analysis of net assets between funds 2017

	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

17 Commitments under operating leases

Operating leases

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

	2018 £	2017 £
Amounts due less than one year	7,489	7,478
Amounts due between one and five years	3,112	6,977
	<u>10,601</u>	<u>14,455</u>

Base Academy Trust

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

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

	2018 £	2017 £
Net income/(expenditure)	160,544	(140,754)
Depreciation (note 12)	128,972	112,295
Capital grants and other capital funding (note 2)	(274,640)	-
Interest receivable (note 5)	(313)	-
(Increase)/decrease in debtors	(51,174)	86,723
(Decrease)/increase in creditors	(208,903)	230,140
Pension interest	34,000	32,000
Net of pension contributions and current service cost	62,000	74,000
	<hr/>	<hr/>
Net cash (used in) / provided by Operating Activities	(149,514)	394,404

19 Cash flows from financing activities

	2018 £	2017 £
Interest received	313	-
	<hr/>	<hr/>
Net cash provided by financing activities	313	-

20 Cash flows from investing activities

	2018 £	2017 £
Purchase of tangible fixed assets	(93,978)	(62,570)
Capital grants from DfE/ESFA	248,837	-
	<hr/>	<hr/>
Net cash provided by investing activities	154,859	(62,570)

21 Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	580,814	575,156
	<hr/>	<hr/>
Total cash and cash equivalents	580,814	575,156

22 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 2018 (continued)

23 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 Bolton Council. 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' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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

Base Academy Trust

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

23 Pension and similar obligations (continued)

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

The employer's pension costs paid to TPS in the period amounted to £426,742 (2017: £467,175).

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £340,000 (2017 - £349,000), of which employer's contributions totalled £286,000 (2017 - £295,000) and employees' contributions totalled £54,000 (2017 - £54,000). The agreed contribution rates for future years are 30.2% percent for employers and between 5.5% and 10.5% 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 2018 %	At 31 August 2017 %
Rate of increase in salaries	3.10	3.20
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	2.80	2.50

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 2018	At 31 August 2017
Retiring today		
Males retiring today	21.50	21.50
Females retiring today	24.10	24.10
Retiring in 20 years		
Males retiring in 20 years	23.70	23.70
Females retiring in 20 years	26.20	26.20

Base Academy Trust

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

23 Pension and similar obligations (continued)

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

	At 31 August 2018 £	At 31 August 2017 £
Equities	1,322,600	1,104,490
Government bonds	311,200	242,080
Property	136,150	90,780
Cash and other liquid assets	175,050	75,650
Total market value of assets	<u>1,945,000</u>	<u>1,513,000</u>

Amounts recognised in the statement of financial activities

	31 August 2018 £	31 August 2017 £
Net interest cost	34,000	32,000
Current service cost (net of employee contributions)	348,000	369,000
Total amount recognised in the SOFA	<u>382,000</u>	<u>401,000</u>

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

	31 August 2018 £	31 August 2017 £
At start of period	2,838,000	2,510,000
Current service cost	348,000	369,000
Interest cost	76,000	57,000
Employee contributions	54,000	54,000
Actuarial gain	(354,000)	(152,000)
At 31 August	<u>2,962,000</u>	<u>2,838,000</u>

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

	31 August 2018 £	31 August 2017 £
At start of period	1,513,000	997,000
Interest income	42,000	25,000
Actuarial gain	50,000	142,000
Employer contributions	286,000	295,000
Employee contributions	54,000	54,000
At 31 August	<u>1,945,000</u>	<u>1,513,000</u>

Base Academy Trust

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

24 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 prior year Mr S O'Neill. A decision was taken that the service would not be reviewed in April 2017. The amounts invoiced during the prior year amounted to £8,454.

Base Academy Trust

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

25 Prior year Statement of Financial Activities

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