

Registration number: 10227910

BASE Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the period from 13 June 2016 to 31 August 2016

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

BASE Academy Trust

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BASE Academy Trust

Reference and Administrative Details

Members

C Graham (appointed 13 June 2016)
A Combes (appointed 13 June 2016)
E Morris (appointed 13 June 2016 and resigned 31 October 2016)
A Connell (appointed 13 June 2016)
R Allanson (appointed 13 June 2016)

Trustees (Directors)

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

Senior Management Team

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

Company Name

BASE Academy Trust

Principal and Registered Office

Red Lane Primary School
Brightmet
Bolton
BL2 5HP

Company Registration Number

10227910

Auditors

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

Bankers

Lloyds Bank plc
9 Hotel Street
Bolton
BL1 1DB

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

Solicitors

Browne Jacobson LLP
Castle Meadow Road
Nottingham
NG2 1BJ

BASE Academy Trust

Trustees' Report for the period from 13 June 2016 to 31 August 2016

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2016. 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 Brightmet and Little Lever in Bolton. It has a combined pupil capacity of 700 plus 104 Nursery places and 32 under 3s places. The numbers on roll are 673 pupils and 110 Nursery and 18 under 3s as reported in the school census in January 2016.

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.

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

Structure, governance and management

Constitution

Red Lane and 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. In future appointments, Trustees will receive information relating to the Trust, including policies and procedures and receive an induction pack on the role and responsibilities of Trustees.

There was no training during August 2016 due to the school being closed. Appropriate training opportunities will be provided throughout the year 2016/2017 based on the Trustees' existing areas of expertise and areas that they need to develop.

BASE Academy Trust

Trustees' Report for the period from 13 June 2016 to 31 August 2016

Organisational Structure

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

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

The Trustees have clear terms of reference and also have 4 sub-committees: Audit and Risk, Standard Achievement and Inclusion, Resources and Performance Management. The Trustees will meet termly, the first meeting held in September 2016 when schools reopened after the summer break was a business and planning meeting. The Trustees are establishing Local Governing Boards (LGB) post conversion in each Academy by the Spring Term 2017. The LGBs also have clear terms of reference. Each committee and LGB will meet at least on a termly basis. Reports from Sub Committees and LGBs will be received, scrutinised and ratified by the Trustees. Trustees will 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 Gutzu

Mr S O'Neill

Mr C Caldwell

Mr D Webb

Mr J Akinyemi (Resigned 20 October 2016)

Ms E Morris (Appointed 31 October 2016)

Committee Organisation

Audit and Risk Committee

Mr D Webb (Chair)

Mrs A Quigley

Mrs L Whittaker

Mr C Caldwell

Mr S O'Neill

Mr C Graham

Resources Committee (Finance, Personnel, Premises and Safety)

Ms E Morris (Chair)

Mr C Graham

Mrs L Whittaker

Mr A Gutzu

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Trustees' Report for the period from 13 June 2016 to 31 August 2016

Standards Achievement and Inclusion Committee

Mrs A Quigley (Chair)
Mrs L Whittaker
Mr C Caldwell
Mr S O'Neill
Mr D Webb

Performance Management Committee

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

The LGB for each Academy will be set up during 2016/2017 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 prior to conversion to set SLT pay ranges across both schools. The SLT structures were agreed by both school governing boards prior to conversion. Moving forward the pay increases for the Executive Headteacher will be determined by the Performance Management Committee and the external school improvement partner during the final review annually. This committee will also review all other pay increases in a report given by the Executive Headteacher annually.

Connected organisations, including related party relationships

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

Objectives and activities

Objects and aims

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

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

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

Principles

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

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Trustees' Report for the period from 13 June 2016 to 31 August 2016

Objectives and activities (Continued...)

Beliefs

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

Commitments

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

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

Objectives, strategies and activities

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

- The Executive Headteacher began supporting the leadership of Masefield in January 2015. The Governors of Masefield saw the benefits of the two schools working collaboratively and wanted to make the relationship more permanent.
- A more permanent arrangement will strengthen the teaching and learning of both schools and collaboration will be increased benefiting the pupils even further.
- There will be an increase of sharing resources to make savings of shared services through procurement. This more cost effective approach will allow for increased resources for pupils.
- Being an Academy allows for greater flexibility in staffing, the curriculum arrangements and for school holidays.

Red Lane and Masefield converted to BASE Academy Trust on 1st August 2016. The schools were closed during August but the Academy Trust has a clear Improvement Plan for 2016/2017; the progress towards the development plan will be monitored by the Trustees and LGBs on a termly basis.

The main objectives for 2016/2017 are:

- To continue to raise standards and increase rates of progress in speaking and listening, writing, spelling, punctuation and grammar and reasoning.
- To continue to improve provision and outcomes for all vulnerable and minority groups of pupils throughout school.
- To continue to improve the quality and effectiveness of teaching and learning throughout school.
- To actively promote an ethos focusing on improving experiences and life choices of children as effective learners and future citizens.

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.

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Trustees' Report for the period from 13 June 2016 to 31 August 2016

Strategic Report

The strategic focus of the Trust during 2016/2017 will be 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

This key information was inherited by the Trust on conversion on the 1st August 2016.

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
68%	48%	69%

Masefield EYFS pupils' good level of development is 1% below National and 85% of pupils make expected progress in all areas of learning.

Red Lane EYFS pupils' good level of development is lower than National but the pupils on entry to Nursery and Reception data is well below National expectations. At least 91% make more than expected progress in all areas of learning.

Percentage of pupils achieving the phonic standard at the end of Year 1		
Masefield	Red Lane	National
73%	75%	81%

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

Percentage of pupils achieving the phonic standard at the end of Year 2		
Masefield	Red Lane	National
95%	98%	91%

Both Masefield and Red Lane year 2 phonic data is slightly higher than National. With Masefield achieving 4% over the National average and Red Lane achieving 7% above the National average.

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Key Stage 1			
	Masefield	Red Lane	National
% of pupils attaining the Expected Standard in reading	60%	70%	74%
% of pupils attaining Greater Depth in reading	20%	25%	24%
% of pupils attaining the Expected Standard in writing	55%	58%	65%
% of pupils attaining Greater Depth in writing	0%	8%	13%
% of pupils attaining the Expected Standard in maths	68%	60%	73%
% of pupils attaining Greater Depth in maths	8%	10%	18%

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

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

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Key Stage 2			
	Masefield	Red Lane	National
% of pupils attaining the Expected Standard in reading	76%	72%	66%
% of pupils attaining higher than the Expected Standard in reading	24%	13%	19%
Reading Progress Score	+2.86	+3.59	0
% of pupils attaining the Expected Standard in writing	71%	61%	74%
% of pupils attaining higher than the Expected Standard in writing	3%	5%	15%
Writing Progress Score	-2.64	-0.01	0
% of pupils attaining the Expected Standard in spelling, punctuation and grammar	79%	61%	72%
% of pupils attaining higher than the Expected Standard in spelling, punctuation and grammar	26%	11%	22%
% of pupils attaining the Expected Standard in maths	76%	70%	70%
% of pupils attaining higher than the Expected Standard in maths	18%	11%	17%
Maths Progress Score	+0.83	+3.22	0

Masefield

At Masefield the pupils' attainment in reading is higher than National at both Expected and higher standard. The progress that pupils make is also greater than pupils Nationally.

In writing the pupils' attainment is lower than National at both Expected and higher standard. The progress that pupils make is slightly less than pupils Nationally.

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

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

Red Lane

At Red Lane the pupils' attainment in reading is higher than National at Expected and slightly lower than National at the higher standard. The progress that pupils make is also greater than pupils Nationally.

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

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

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

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Trustees' Report for the period from 13 June 2016 to 31 August 2016

Key Performance Indicators-Attendance data

No data to provide as the schools were not open during the period of August 2016.

Going concern

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

Financial review

The Academy's total incoming resources during the period were £3,716,718 this included £3,378,816 in respect of the recognition of assets and liabilities on conversion, comprising largely £4,629,694 in respect of the Schools land and buildings. A liability of £1,533,000 in respect of employees that transferred to the Academy Trust on 1 August 2016 who are members of the Greater Manchester Pension Fund Local Government Pension Scheme.

The majority of the Academy's income derives from central government funding via the Education Funding Agency, in the form of current grants. Total funding received for the Academy's educational operations in the period was £337,347 and further details are provided in Note 2 to the accounts.

Total outgoing resources for the period were £284,357 the majority of which related to the direct provision of educational operations. The excess of income over expenditure was £3,454,361.

At the period end the Academy's total reserves were £3,454,361 including unrestricted funds of £282,677, and restricted funds of £3,171,684 of which restricted fixed asset funds are £4,620,739. 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 2016 all assets shown in the financial statements were used exclusively for providing education and associated support services to students of the Academy.

Reserves policy

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

Unrestricted reserves

The Academy may hold unrestricted free reserves, which provide additional working capital and are not committed or designated. It is the trustees' 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 2016 the level of unrestricted reserves held was £282,677.

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

BASE Academy Trust

Trustees' Report for the period from 13 June 2016 to 31 August 2016

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 2016 was £243,322 and unrestricted reserves amount to £282,677.

Principal risks and uncertainties

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

Plans for future periods

The Trust's main annual objectives for the next academic year 2016/2017 are:

- To continue to raise standards and increase rates of progress in speaking and listening, writing, spelling, punctuation, grammar and reasoning.
- To continue to improve provision and outcomes for all vulnerable and minority groups of pupils throughout school.
- To continue to improve the quality and effectiveness of teaching and learning throughout school.
- To actively promote an ethos focusing on improving experiences and life choices of children as effective learners and future citizens.

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 and signed on its behalf by:

.....
C Graham
Trustee

BASE Academy Trust

Governance Statement for the period from 13 June 2016 to 31 August 2016

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 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.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Trustees have not formally met during the period due to the fact that the Schools were closed for the summer.

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

The Performance Management committee is a sub-committee of the main Trustees 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.

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

None of the committees met during the period as the schools were closed for the summer. The first meeting of each committee was held in the Autumn term.

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

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Governance Statement for the period from 13 June 2016 to 31 August 2016 (continued)

Review of value for money (continued)

- 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. 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.
- A Masefield based teacher returning from maternity leave wanted to work part time and had completed a flexible working request. This request could not have been accepted if the school did not become an Academy. This teacher specialism was MFL and so a decision was made to accept her request and share her expertise across both schools; 1 day in Masefield and 1.5 in Red Lane.

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 ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

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 role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The Trust opened on 1 August 2016 and therefore limited work was undertaken prior to the year end. The Trust has worked closely with the Local Authority to ensure compliance with the Academies Financial Handbook and develop policies and procedures where necessary.

There will be regular reports given to the Board of Trustees, through the Audit and Risk Committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

On a quarterly basis, the Accounting Officer reports to the Trustees on the operation of the systems of control and on the discharge of the Trustees financial responsibilities.

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 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

Due to the schools being closed during August the draft risk register was produced on 1st October and approved by the Trust Board on the 5th December 2016. This risk register will be reviewed by the Audit and Risk Committee termly and reported to the Trust Board.

BASE Academy Trust

Governance Statement for the period from 13 June 2016 to 31 August 2016 (continued)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trustees;
- regular reviews by the Audit and Risk and Standard Achievement and Inclusion committees 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.

Review of effectiveness

As Accounting Officer, L Whittaker has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the schools were closed and the Trust worked closely with the Local Authority to develop policies and procedures to ensure compliance with the Academies Financial Handbook.

Approved by order of the members of the Trust Board on 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 Funding Agency of material irregularity, impropriety and non-compliance with EFA 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 2015.

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 2015.

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 EFA.

.....
L Whittaker
Accounting officer

Date:

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 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 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

We have audited the financial statements of BASE Academy Trust for the period from 13 June 2016 to 31 August 2016, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows and the related notes. 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 Annual Accounts Direction 2015 to 2016 issued by the EFA.

This report is made solely to the charitable company'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 charity'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 charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 15), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

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

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

BASE Academy Trust

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

Matters on which we are required to report by exception

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.

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

Central Buildings
Richmond Terrace
Blackburn
Lancashire
BB1 7AP

Date:

BASE Academy Trust

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

In accordance with the terms of our engagement letter dated 2 February 2017 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by BASE Academy Trust during the period 13 June 2016 to 31 August 2016 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 the Trustees and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the Trustees and the EFA 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 the Trustees and the EFA, 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 Trustee's funding agreement with the Secretary of State for Education dated and the Academies Financial Handbook extant from 1 September 2012, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 13 June 2016 to 31 August 2016 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 2015 to 2016 issued by EFA. 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 2015 to 2016.

BASE Academy Trust

Independent Reporting Accountant's Report on Regularity to Base Academy Trust and the Education 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 period from 13 June 2016 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....
Mark Bradley

For and on behalf of Beever and Struthers, Chartered Accountants

Central Buildings
Richmond Terrace
Blackburn
Lancashire
BB1 7AP

Date:

BASE Academy Trust

Statement of Financial Activities for the Period from 13 June 2016 to 31 August 2016 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £
Income and endowments from:					
Transfer from local authority on conversion	22	282,122	(1,533,000)	4,629,694	3,378,816
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	2	-	337,347	-	337,347
Other trading activities	3	551	-	-	551
Investments	4	4	-	-	4
Total		282,677	(1,195,653)	4,629,694	3,716,718
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	5	-	(275,402)	(8,955)	(284,357)
Net income		282,677	(1,471,055)	4,620,739	3,432,361
Other recognised gains and losses					
Actuarial gains on defined benefit pension scheme	20	-	22,000	-	22,000
Net movement in funds		282,677	(1,449,055)	4,620,739	3,454,361
Reconciliation of funds					
Total funds carried forward at 31 August 2016	14	282,677	(1,449,055)	4,620,739	3,454,361

All of the Academy Trusts activities derive from continuing activities during the above financial period.

BASE Academy Trust

Balance Sheet as at 31 August 2016

	Note	31 August 2016 £
Fixed assets		
Tangible assets	11	4,620,739
Current assets		
Debtors	12	169,000
Cash at bank and in hand		<u>243,322</u>
		412,322
Creditors: Amounts falling due within one year	13	<u>(65,700)</u>
Net current assets		<u>346,622</u>
Total assets less current liabilities		<u>4,967,361</u>
Net assets excluding pension liability		4,967,361
Pension scheme liability	20	<u>(1,513,000)</u>
Net assets		<u>3,454,361</u>
Funds of the Academy:		
Restricted funds		
Restricted general fund	14	(1,449,055)
Restricted fixed asset fund	14	<u>4,620,739</u>
		3,171,684
Unrestricted funds		
Unrestricted general fund	14	<u>282,677</u>
Total funds		<u>3,454,361</u>

The financial statements on pages 20 to 38 were approved by the Trustees, and authorised for issue on
and signed on their behalf by:

.....

C Graham
Trustee

Registration number: 10227910

BASE Academy Trust

Statement of Cash Flows for the Period from 13 June 2016 to 31 August 2016

	Note	31 August 2016 £
Cash flows from operating activities		
Net cash provided by operating activities	18	243,322
Cash and cash equivalents at 13 June 2016		<u>-</u>
Cash and cash equivalents at 31 August 2016	18	<u>243,322</u>

BASE Academy Trust

Notes to the Financial Statements for the Period from 13 June 2016 to 31 August 2016

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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

The current period of financial statements cover the period from 13 June 2016 to 31 August 2016.

Going concern

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

Income

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

Grants

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

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

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

Donations

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

Other income

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

BASE Academy Trust

Notes to the Financial Statements for the Period from 13 June 2016 to 31 August 2016

1 Accounting policies (continued)

Donated 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.

Conversion to the Academy Trust

The conversion to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the Academy for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities were transferred to the academy trust from Bolton Metropolitan Borough Council and have been valued at their fair value being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for the Academy.

The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in transfer from local authority on conversion and costs of generating funds in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

On conversion, the Academy acquired the land and buildings from which it operates. No value was paid for the land and buildings, which has been incorporated into the accounts as a transfer on conversion.

In addition, the academy inherited the fixture and fittings and other fixed assets in use by the academy at the date of conversion. These assets have been transferred at their net book value as an estimate of their market value.

Further details about the conversion is given in note 22.

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

BASE Academy Trust

Notes to the Financial Statements for the Period from 13 June 2016 to 31 August 2016

1 Accounting policies (continued)

Tangible fixed assets

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

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

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

- Leasehold land and buildings over life of lease (125 years)
- Fixtures, fittings and equipment 20% straight line
- ICT equipment 33% 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.

Taxation

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

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

BASE Academy Trust

Notes to the Financial Statements for the Period from 13 June 2016 to 31 August 2016

1 Accounting policies (continued)

Pension benefits

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

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

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

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education 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 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.

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 20, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

BASE Academy Trust

Notes to the Financial Statements for the Period from 13 June 2016 to 31 August 2016

Critical accounting estimates and areas of judgement (continued)

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

2 Funding for the Academy Trust's educational operations

	Restricted funds £	Total 2016 £
DfE/EFA revenue grants		
General Annual Grant	214,396	214,396
Pupil Premium	34,565	34,565
Start Up Grant	50,000	50,000
Other	11,000	11,000
	<hr/> 309,961	<hr/> 309,961
Other government grants		
Local authority grants	<hr/> 27,386	<hr/> 27,386
Total grants	<hr/> <hr/> 337,347	<hr/> <hr/> 337,347

3 Other trading activities

	Unrestricted funds £	Total 2016 £
Hire of facilities	551	551
	<hr/>	<hr/>

4 Investment income

	Unrestricted funds £	Total 2016 £
Short term deposits	4	4
	<hr/>	<hr/>

BASE Academy Trust

Notes to the Financial Statements for the Period from 13 June 2016 to 31 August 2016

5 Expenditure

	Non Pay Expenditure			Total 2016 £
	Staff costs £	Premises £	Other costs £	
Academy's educational operations				
Direct costs	192,411	8,955	1,986	203,352
Allocated support costs	35,608	8,255	37,142	81,005
	228,019	17,210	39,128	284,357

Net income for the period includes:

	31 August 2016 £
Depreciation	8,955
Auditors remuneration - audit	11,000
Auditors remuneration – non audit services	2,550

6 Charitable activities

	Total 2016 £
Direct costs - educational operations	203,352
Support costs - educational operations	81,005
	284,357

	Educational operations £	Total 2016 £
Analysis of support costs		
Support staff costs	35,608	35,608
Premises costs	8,255	8,255
Other support costs	37,142	37,142
Total support costs	81,005	81,005

BASE Academy Trust

Notes to the Financial Statements for the Period from 13 June 2016 to 31 August 2016

7 Staff

Staff costs

	2016
	£
Staff costs during the period were:	
Wages and salaries	182,633
Social security costs	13,566
Operating costs of defined benefit pension schemes	29,820
	<u>226,019</u>

Staff numbers

The average number of persons (including senior management team) employed by the Academy during the period was as follows:

	31 August 2016
	No
Charitable Activities	
Teachers	27
Administration	6
Support staff	65
Catering and Site	13
Management	6
	<u>117</u>

The average full time equivalent number of employees is 78.

b) Higher paid staff

The trust was in operation for one month, on a pro rata basis the number of employees whose aggregate emoluments exceeded £60,000 was:

	2016
	No.
£80,001 - £85,000	1

The above employee participated in the Teachers' Pension Scheme.

The Key management personnel consist of the Trustees and the Senior Leadership Team set out on page 1. The total amount of employee remuneration and benefits (including employer pension contributions) received by key management personnel amounted to £18,285 in the period.

8 Central services

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

BASE Academy Trust

Notes to the Financial Statements for the Period from 13 June 2016 to 31 August 2016

9 Related party transactions - trustees' remuneration and expenses

One trustee has been paid remuneration from employment with the Academy Trust. The Executive Headteacher receives remuneration in respect of services she provides undertaking the roles of Executive Headteacher under her contracts of employment, and not in respect of her role as trustees. The value of trustee' remuneration and other benefits was as follows:

L Whittaker (Executive Headteacher and trustee)

Remuneration £80,001 - £85,000

Employer's pension contributions paid - £nil to £5,000

Other related party transactions involving the trustees are set out in note 21.

10 Trustees' and officers' insurance

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

11 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Total £
Cost			
Transferred on conversion	4,300,000	329,694	4,629,694
At 31 August 2016	4,300,000	329,694	4,629,694
Depreciation			
Charge for the year	2,867	6,088	8,955
At 31 August 2016	2,867	6,088	8,955
Net book value			
At 31 August 2016	4,297,133	323,606	4,620,739

12 Debtors

	31 August 2016 £
Nursery debtors	2,363
VAT recoverable	5,696
Other debtors	105,750
Prepayments	16,801
Accrued grant and other income	38,390
	<u>169,000</u>

BASE Academy Trust

Notes to the Financial Statements for the Period from 13 June 2016 to 31 August 2016

13 Creditors: amounts falling due within one year

	31 August 2016 £
Trade creditors	31,221
Other creditors	10,417
Accruals	24,062
	65,700

14 Funds

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds				
General Annual Grant (GAG)	214,396	(197,944)	-	16,452
Start Up Grant	50,000	(20,793)	-	29,207
Other Government grants	27,386	(27,386)	-	-
Pupil premium	34,565	(16,279)	-	18,286
Pension reserve	(1,533,000)	(2,000)	22,000	(1,513,000)
Other EFA Grants	11,000	(11,000)	-	-
	(1,195,653)	(275,402)	22,000	(1,449,055)
Restricted fixed asset funds				
Transferred on conversion	4,629,694	(8,955)	-	4,620,739
Total restricted funds	3,434,041	(284,357)	22,000	3,171,684
Unrestricted funds				
Unrestricted general funds	138,604	-	-	138,604
Transfer from Local Authority	144,073	-	-	144,073
	3,716,718	(284,357)	22,000	3,454,361

Analysis of academies by fund balance

Fund balances at 31 August 2016 were allocated as follows:

	Total £
Red Lane	322,517
Masefield	24,105
Total before fixed assets and pension reserve	346,622
Fixed Asset Fund	4,620,739
Pension liability	(1,513,000)
Total	3,454,361

BASE Academy Trust

Notes to the Financial Statements for the Period from 13 June 2016 to 31 August 2016

14 Funds (continued...)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2016 £
Red Lane	121,417	25,402	1,058	23,936	171,813
Masefield	70,994	10,206	930	21,459	103,589
Academy Trust	192,411	35,608	1,988	45,395	275,402

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

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2016.

Other government grants included a local authority grant in connection with special educational needs.

Pupil premium funding is spent on enhancing the education of eligible pupils in accordance with the conditions of the grant.

Start Up Grant is to be used for the set up costs of the Academy.

The other EFA Grant relates to a grant for the Audit of the financial statements for the short period to 31 August 2016 agreed to be funded by the EFA.

The unrestricted general funds is made up from amounts received from the Nursery Income on conversion to the Academy. The Transfer from the Local Authority relates to Surplus amounts to be received from converting to an Academy from being Local Authority Schools. Both these surpluses are unrestricted and can be used to finance activities the Academy chooses.

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	4,620,739	4,620,739
Current assets	282,677	129,645	-	412,322
Current liabilities	-	(65,700)	-	(65,700)
Pension Scheme Liability	-	(1,513,000)	-	(1,513,000)
Total net assets	282,677	(1,449,055)	4,620,739	3,454,361

16 Capital commitments

	31 August 2016 £
Contracted for, but not provided in the financial statements	<u>26,005</u>

BASE Academy Trust

Notes to the Financial Statements for the Period from 13 June 2016 to 31 August 2016

17 Reconciliation of net income to net cash inflow from operating activities

	31 August 2016
	£
Net income	3,454,361
Depreciation	8,955
Decrease in debtors	113,122
Increase in creditors	65,700
Pension interest	(2,000)
Net of pension contributions and current service cost	(18,000)
Assets acquired on conversion to an academy trust	<u>(3,378,816)</u>
Net cash provided by Operating Activities	<u>243,322</u>

18 Analysis of cash and cash equivalents

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

19 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 Period from 13 June 2016 to 31 August 2016

20 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 Tameside Metropolitan Borough 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 2013.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, 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 £11,749.

BASE Academy Trust

Notes to the Financial Statements for the Period from 13 June 2016 to 31 August 2016

20 Pension and similar obligations (continued)

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2016 was £23,000 (2016 - £Nil), of which employer's contributions totalled £18,000 (2016 - £Nil) and employees' contributions totalled £5,000 (2016 - £Nil). The agreed contribution rates for future years are 30.2% employer and between 5.5% and 12.5% for employees.

Principal actuarial assumptions

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

Sensitivity Analysis	Central	Sensitivity 1 +0.5% p.a. discount rate	Sensitivity 2 +0.5% p.a. inflation	Sensitivity 3 +0.5% p.a. pay growth	Sensitivity 4 1 year increase in life expectancy
	£000	£000	£000	£000	£000
Liabilities	2,510	2,893	2,740	2,650	2,585
Assets	(997)	(997)	(997)	(997)	(997)
Deficit	1,513	1,896	1,743	1,653	1,588
Projected service cost for next year	269	309	293	285	277
Projected interest cost for next year	32	37	35	33	33

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

Retiring today

Males retiring today	21.40
Females retiring today	24.00

Retiring in 20 years

Males retiring in 20 years	24.00
Females retiring in 20 years	26.60

BASE Academy Trust

Notes to the Financial Statements for the Period from 13 June 2016 to 31 August 2016

20 Pension and similar obligations (continued)

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

	At 31 August 2016
	£
Equities	717,840
Government bonds	169,490
Property	59,820
Cash	49,850
	<hr/>
Total market value of assets	997,000
	<hr/>

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

Amounts recognised in the statement of financial activities

	31 August 2016
	£
Net interest cost	2,000
Current service cost (net of employee contributions)	18,000
	<hr/>
Total operating charge	20,000
	<hr/>

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

	31 August 2016
	£
At 13 June 2016	-
Transferred on conversion	2,483,000
Current service cost	18,000
Interest cost	4,000
Employee contributions	5,000
	<hr/>
At 31 August 2016	2,510,000
	<hr/>

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

	31 August 2016
	£
At 13 June 2016	-
Transferred on conversion	950,000
Interest income	2,000
Actuarial gains	22,000
Employer contributions	18,000
Employee contributions	5,000
	<hr/>
At 31 August 2016	997,000
	<hr/>

BASE Academy Trust

Notes to the Financial Statements for the Period from 13 June 2016 to 31 August 2016

21 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 the conversion the school had taken out a Service Level Agreement with Global Policing Limited from April 2016 to March 2017. This company is owned by one of the Trustees Mr S O'Neill. A decision has been taken that the service will not be renewed in April 2017. The amounts invoiced to the Academy during the period amounted to £3,898.

22 Conversion to an academy trust

On 1 August 2016 Red Lane and Masefield converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to BASE Academy Trust from the Bolton Metropolitan Borough Council for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

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

	Unrestricted fund £	Restricted fund £	Restricted fixed asset fund £	Total £
Red Lane				
Tangible fixed assets:				
Leasehold land and buildings	-	-	2,825,000	2,825,000
Other tangible fixed assets	-	-	267,305	267,305
Budget surplus on Local Authority funds	158,158	-	-	158,158
Budget surplus on other school funds	122,614	-	-	122,614
Pension scheme liability	-	(1,073,100)	-	(1,073,100)
Net assets	280,772	(1,073,100)	3,092,305	2,299,977

	Unrestricted fund £	Restricted fund £	Restricted fixed asset fund £	Total £
Masefield				
Tangible fixed assets:				
Leasehold land and buildings	-	-	1,475,000	1,475,000
Other tangible fixed assets	-	-	62,389	62,389
Budget Deficit on Local authority funds	(14,085)	-	-	(14,085)
Budget surplus on other school funds	15,435	-	-	15,435
Pension scheme liability	-	(459,900)	-	(459,900)
Net assets	1,350	(459,900)	1,537,389	1,078,839

BASE Academy Trust

Notes to the Financial Statements for the Period from 13 June 2016 to 31 August 2016

22 Conversion to an academy trust (continued)

	Unrestricted fund £	Restricted fund £	Restricted fixed asset fund £	Total £
Total				
Tangible fixed assets				
Leasehold land and buildings	-	-	4,300,000	4,300,000
Other tangible fixed assets	-	-	329,694	329,694
Budget surplus on LA funds	144,073	-	-	144,073
Budget surplus on other school funds	138,049	-	-	138,049
Pension scheme liability	-	(1,533,000)	-	(1,533,000)
Net assets	282,122	(1,533,000)	4,629,694	3,378,816