

# **Bedfordshire Schools Trust Limited**

Registered number: 07546141

## **Trustee report and group financial statements**

**For the year ended 31 August 2017**

**BEDFORDSHIRE SCHOOLS TRUST LIMITED**  
**(A company limited by guarantee)**

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# **BEDFORDSHIRE SCHOOLS TRUST LIMITED**

## **(A company limited by guarantee)**

### **REFERENCE AND ADMINISTRATIVE DETAILS OF THE MULTI-ACADEMY TRUST, ITS TRUSTEES AND ADVISERS**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **Members**

Peter Little  
David Shelvey  
Caroline Devereaux  
Ilona Bond (appointed 12 September 2017)  
Cathy Poitrowski (appointed 12 September 2017)  
Ian Morfett (appointed 12 September 2017)  
Martin Petts (appointed 12 September 2017)

#### **Trustees**

Carrie Traill, Member Appointed Trustee  
Peter Little, Member and Trustee (resigned 28 June 2017)<sup>1</sup>  
David Shelvey, Member Appointed Trustee and Chair of Finance and Audit Committee<sup>1</sup>  
Paul Walker, Member Appointed Trustee<sup>1</sup>  
Lorraine MacDonald, Member Appointed Trustee (resigned 25 June 2017)  
Julie Hollings, Member Appointed Trustee  
Alan Lee, Member Appointed Trustee<sup>1</sup>  
Catherine Piotrowski, Co-opted Trustee (appointed 14 October 2016, resigned 28 June 2017)  
Ilona Bond, Member Appointed Trustee and Chair (appointed 18 October 2016)  
Clare Mycock, Co-opted Trustee (appointed 28 June 2017)  
Anthony Saunderson, Co-opted Trustee (appointed 28 June 2017)  
Sharon Jeffs, Co-opted Trustee (appointed 1 September 2017)

<sup>1</sup> Member of the Finance and Audit Committee

#### **Company registered number**

07546141

#### **Company name**

Bedfordshire Schools Trust Limited ("BEST")

#### **Principal and registered office**

BEST House, Shefford Road, Clifton, Bedfordshire, SG17 5QS

#### **Senior management team**

Alan Lee, CEO and National Leader of Education  
Alex Prior, Principal  
Lyn Rouse, Principal  
Thomas Clarke, Principal  
Nick Martin, Principal (Student Learning, Progress and Intervention)  
Julian Axford, Principal (9-13 Learning and Curriculum)  
David Goode, Assistant Principal (Staff Development)  
Ian Butler, Assistant Principal (Data, Assessment and Exams)  
Steve Fox, Assistant Principal (Children and Family Services)  
Ian Kite, Assistant Principal (Head of Projects, Resources, Operations and Capital - CEO Bedfordshire East Schools Trust Limited) (resigned 31 August 2017)

**BEDFORDSHIRE SCHOOLS TRUST LIMITED**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE MULTI-ACADEMY TRUST, ITS  
TRUSTEES AND ADVISERS**  
***FOR THE YEAR ENDED 31 AUGUST 2017***

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**Advisers (continued)**

**Independent auditor**

Mazars LLP, The Pinnacle, 160 Midsummer Boulevard, Milton Keynes, MK9 1FF

**Bankers**

National Westminster Bank Plc, 152 Silbury Boulevard, Milton Keynes, MK9 1LT

Lloyds Bank Plc, Queens Square, Wolverhampton, WV1 1RF

Nationwide Building Society, PO Box 3, 5-11 St. Georges Street, Douglas, Isle of Man, IM99 1AS

**Solicitors**

Trowers & Hamlins LLP, 55 Princess Street, Manchester, M2 4EW

# **BEDFORDSHIRE SCHOOLS TRUST LIMITED**

## **(A company limited by guarantee)**

### **TRUSTEES' REPORT**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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The Trustees (who act as governors of Bedfordshire Schools Trust Limited and are also the Directors of the charitable company for the purposes of company law) present their annual report, together with the audited group financial statements of Bedfordshire Schools Trust Limited ("BEST") ("the Multi-Academy Trust") for the year ended 31 August 2017.

The Trustees confirm that the Annual Report and financial statements of the Multi Academy Trust comply with the current statutory requirements, the requirements of the Multi Academy Trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2015.

The Multi-Academy Trust also trades under the name BEST and comprises Samuel Whitbread Academy, Robert Bloomfield Academy, Etonbury Academy, Gothic Mede Academy, Gravenhurst Academy and Langford Village Academy.

The Group consists of BEST plus its subsidiaries: Bedfordshire East Schools Trust Limited and Bedfordshire East Schools Trust Nurseries Limited.

#### **Objectives and activities**

##### **a. Objectives and aims**

The object of BEST is to advance education for the public benefit in the United Kingdom. Establishing, maintaining, managing and developing academies achieve this. Our academies offer high quality education. They collaborate and compete with each other to continually raise standards and best serve the wider community.

##### Commitment

We will hold ourselves accountable to these statements and ensure we communicate the vision and manifesto to our community.

##### **b. Catchment and enrolment**

Gravenhurst, Langford Village, Gothic Mede, St Christophers, Etonbury, Robert Bloomfield and Samuel Whitbread academies currently comprise the Bedfordshire Schools Trust Limited (BEST). The academies serve the catchment – defined by Central Bedfordshire Local Authority – areas of: Langford; Stotfold; Arlesey; Shefford; Gravenhurst and Clifton.

##### **c. Public benefits**

The key public benefit delivered by BEST is the provision of exceptional education for our students and their families. Currently, Ofsted grades two of our six academies 'outstanding': our intention is that they all are by 2021. Targets to be in the top 20% nationally for student outcomes have been set for all academies.

Each of our academies is a unique learning community. They collaborate and compete with each other to continually improve student outcomes and enable all to be the best they can be. Together, our academies offer a clear, considered and coherent educational age 4-19 community-based pathway.

# **BEDFORDSHIRE SCHOOLS TRUST LIMITED**

## **(A company limited by guarantee)**

### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **STRATEGIC REPORT**

##### **Achievements and performance**

##### **a. Review of activities and key performance indicators**

All BEST academies are graded 'Good' or 'Outstanding' by Ofsted. During the academic year 2016-17, both Langford Village Academy and Gothic Mede Academy welcomed Ofsted. Langford Village Academy (3-4 May 2017) achieved a 'Good' grade in all areas, as did Gothic Mede Academy (27-28 June 2017).

##### Results

Results across all BEST academies, in all key stages, realised dramatic improvement in 2016-2017.

In Early Years, pupils at Gravenhurst Academy - 77%; Langford Village Academy - 70%; and, Gothic Mede Academy - 73% achieved a Good Level of Development. All above the national average - 69.3%. Phonics results at Langford Village Academy - 72% were below the national figure - 81%, but the outcomes for Gothic Mede Academy - 97% and Gravenhurst Academy - 93% were significantly above. Results in Key Stage 1, across Reading, Writing and Maths at all BEST academies were exceptionally strong, with well over half the set targets being achieved in the top 20% nationally. In Reading -100-86-82% - reached the expected standard at Gravenhurst Academy, Langford Village Academy and Gothic Mede Academy respectively, well above the national average - 76%; in Writing the figures were - 71-55-70%, largely above the national average - 68%; and, in Maths - 100-77-80%, well above the national average - 75%.

In Key Stage 2, both Robert Bloomfield Academy - 74% and Etonbury Academy - 69% (a 20% increase on the 2016 figure) achieved well above the national combined figure - 61%. Several outcomes across Reading, Writing, GPS and Maths were all above the national average and several in the top 20% nationally. Figures for Reading were Robert Bloomfield Academy - 78%; Etonbury Academy - 76%; national average 71%; Writing Robert Bloomfield Academy 87%; EA - 85%; national average 77%; GPS Robert Bloomfield Academy 83%; Etonbury Academy 87%; national average 77%; and, Maths Robert Bloomfield Academy 92%; Etonbury Academy - 81%; national average 75%.

Samuel Whitbread Academy, achieved its highest ever results at both Key Stage 4 and 5. At Key Stage 4, 72% achieved grades 9-4 in English and Maths; a 19% increase over the previous two years. This, and figures for both Attainment 8 and Progress 8 are expected to be above/well above national averages. At Key Stage 5, the average points scores were: A Level - 31.18; Academic - 31.46; Technical - 40.83 and Applied General - 48.53. ALPs grades of Advanced Level - Grade 4 (top 40% nationally); Btec - Grade 2 (top 10% nationally and, Advanced Supplementary - Grade 3 (25% nationally) were achieved.

##### BEST Teaching School

This offers direct school improvement work for both BEST academies and throughout Central Bedfordshire. This is under the leaderships of BEST's Trustee of School Improvement and implemented by a team of twenty-two Specialist Leaders of Education (SLEs).

Our CPD offer is both diverse and extensive. For 2016-17, we delivered over 200 courses/events. These ranged from a suite of leadership courses, to teaching and learning events, to Learning Support Assistant programmes, to numerous professional study groups. A robust administrative structure, complete with an online booking system for events ([www.centralbedscpd.co.uk/schools](http://www.centralbedscpd.co.uk/schools)) is in place and enables us to have a high profile for our offer. All 132 schools in Central Bedfordshire access the system and the number of users is extensive (Central Bedfordshire 11,232; Bedford Borough 2432; Luton 1791; Hertfordshire 136; Cambridgeshire 125; Milton Keynes 34; and, other LAs 112).

A bespoke Governance training package is also delivered. Currently, BEST has two National Leaders of Governance and from September 2017 has become the Regional NLG Hub.

# **BEDFORDSHIRE SCHOOLS TRUST LIMITED**

## **(A company limited by guarantee)**

### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### Numbers

Gothic Mede Academy has a PAN of 60 and has taken full numbers for the last 3 years, leading to year groups of 60 in Reception, Year 1 and Year 2. Year 3 has 57 pupils. Due to an abnormal increase in Reception pupil numbers in 2012 locally, we currently have a Year 4 cohort of 74. This was a temporary increase in our PAN to 75 in 2012. There is a waiting list for pupils in Year 2 and Year 1 and we predict an intake of 60 in 2017-2018.

Robert Bloomfield Academy continues to be oversubscribed; its PAN was moved from 210 to 240. In 16-17, we took 240 pupils of the 253 applications. For this 17 - 18 Academic Year we had 292 applications, and Yr5 has once again got the full complement of 240. Projections were/are very conservative. We have 35 still on our waiting list. Projections for 18 - 19 is 271 in traditional feeder schools.

Gravenhurst Academy has seen a rise in pupil numbers during the past year and this continues. We have a PAN of 15 and have a few spaces in all year groups except Year 2. Currently we have 11 pupils in Reception, 13 pupils in Year 1, Year 2- 15 pupils, Year 3 - 8 pupils and Year 4 - 12 pupils. Overall total 59 pupils.

Langford Village Academy remains steady with an overall pupil number of 155. We have 24 children in reception this year. Our largest cohort is Year 1 with 36 pupils, 33 pupils in Year 2, 30 pupils in Year 3 and 32 pupils in Year 4. It is hoped that with the amount of housing development within the village this will help our numbers to rise to our PAN of 45. We have small class sizes to allow for growth and this will help to attract new children.

Etonbury Academy is significantly oversubscribed and there have been multiple successful appeals for sibling places. Demand for the academy, due to increased number of students in catchment, and the high profile in the local and wider community of the expansion programme and improved standards has led to a yr5 intake of 192 students (against an increased PAN of 180) in September 2017. The academy is therefore operating a six form of entry process, with 32 students per form group. This is an increase from last year's entry figure of 185. A number of students in Fairfield Park Lower Academy have been given places at Henlow Church of England Academy this year as a result, and this is expected again next year.

Samuel Whitbread Academy had 361 first preferences in Year 9 and a further 37 second preferences making the total intake 398 for 2017 - out of a PAN of 434. This was higher than anticipated as the number of students from Etonbury has settled at around 30 per year. As well as 115 from Robert Bloomfield Academy and 117 from Henlow Academy, we recruited additional students from Alban (32), Sandye (18) and 46 from other schools across Bedfordshire and other counties. The NoR for Y10 is 414 and Y11 is 421. We expect the intake to continue to fall as students from Alban and Sandye middle schools move to Sandy secondary school at Y7, as they have now become a secondary school. In the Sixth Form we have 258 students in Y12 from all across the county. In Y13 we have 159 students, making a total of 417 and the academy NoR 1650 out of a PAN of 1650.

# **BEDFORDSHIRE SCHOOLS TRUST LIMITED**

## **(A company limited by guarantee)**

### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **Financial review**

##### **a. Going concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Multi-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 Accounting Policies.

##### **b. Financial and risk management objectives and policies**

The majority of the Trusts funding is via GAG from the Education and Skills Funding Agency and other Government grants administered via the ESFA and/or Local Authority. This is supplemented via third party lettings of the Trust's premises. All expenditure supports the Trusts key objective of delivery quality education to our students and community.

The Trust complies with the principles of financial control as outlined in the academies guidance published by the DfE, and as required in our funding agreement. Our Financial Procedures, Delegation of Financial Responsibilities and Value for Money Statement provide detailed information on the Trust's accounting procedures, financial controls and systems and principles which conform to the requirements both of propriety and of good financial management.

The Board of Trustees is accountable for the way in which the resources of the constituent Academies are allocated to meet the objectives set out in the academies' development plans. Trustees need to secure the best possible outcome for pupils, in the most efficient and effective way, at a reasonable cost. This will lead to continuous improvement in the academies' achievements and services.

The Academies prepare both medium-term and short-term financial plans. The medium-term financial plan is prepared as part of the development planning process. The development plan indicates how the Academies' educational and other objectives are going to be achieved within the expected level of resources. The development plan provides the framework for the annual budget. The budget is a detailed statement of the expected resources available to the Academies and the planned use of those resources for the following year.

The Accounting Officer is responsible for reviewing the Financial Procedures on an annual basis and for recommending it to the Trustees for approval. In general the overall position of each academy's budget will be monitored on a monthly basis by the Chief Financial Officer who will produce reports and written commentary for the Board of Trustees on a quarterly basis. The reports will detail actual income and expenditure against budget for the Finance Committee and Audit Committee.

##### **c. Principle risks and uncertainties**

As required under the Companies Act 2006, the governing body has reviewed the principal risks and uncertainties facing the academy trust, and these have been identified in the Risk Asset Register which is reviewed termly by the Finance and Audit Committee.

In 2003 Samuel Whitbread Academy was rebuilt through a PFI scheme. The annual increase in the repayments are linked to the RPIX and at a time when our funding is decreasing the additional cost is impacting on funds that should be used to educate the pupils. If funding levels do not improve this may become a concern in the future.



# **BEDFORDSHIRE SCHOOLS TRUST LIMITED**

## **(A company limited by guarantee)**

### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **d. Reserves and investment policy**

The Trust will retain a common reserve fund to mitigate any financial risk and to ensure the stability of the Trust as a whole and of our constituent Academies. The BEST Finance and Audit Committee is responsible for ensuring that our reserve fund is maintained sufficiently.

Spending requests (from constituent academies) must be considered by the Finance and Audit Committee in line with the following stated priorities, and any subsequent recommendation must be minuted and made to the Board of Trustees who holds the final decision to proceed:

- a. to fund any unavoidable in year operating deficit within our constituent academies;
- b. for specific long-term maintenance needs to the existing buildings and facilities;
- c. for any new facilities or infrastructure to meet student requirements; and
- d. to support learning to ensure standards are improved and maintained.

The Trustees have agreed that an appropriate accumulated reserve balance for the Multi-Academy Trust should equate to 1/12th of the annual funding for educational operations excluding capital grants. For the year ended 31 August 2017, this equates to a 'target' of £1.52m (2016 - £1.50m). The Multi-Academy Trust's total funds as at 31 August 2017 amounts to £47.4m (2016 - £44.8m) including general and restricted revenue funds of a £1.31m (2016 - £1.82m).

The Multi-Academy Trust will endeavour to invest its reserve funds wisely and with a low-risk philosophy to ensure funds not immediately required attract a healthy interest return. This will be done via interest savings accounts and longer-term high interest accounts. The return on any such investments will be reported annually to the Trustees.

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

##### **a. Constitution**

The Multi-Academy Trust is a charitable company limited by guarantee and an exempt charity, registered in England and Wales.

The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Multi-Academy Trust.

The Charitable Company is known as "BEST".

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

##### **b. Members' liability**

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

# **BEDFORDSHIRE SCHOOLS TRUST LIMITED**

## **(A company limited by guarantee)**

### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **c. Method of recruitment and appointment or election of trustees**

The number of trustees shall not be less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

Subject to Articles 48-49, 50AA, 53 and 57, the Academy Trust shall have the following Trustees:

- a. up to 5 Trustees, appointed under Article 50, and;
- b. a minimum of 2 Parent Trustees elected or appointed under Articles 53-56 in the event that no Local Governing Bodies are established under Article 100a or if no provision is made for at least 2 Parent Local Governors on each established Local Governing Body pursuant to Article 101A.

The Company may also have any Co-opted Trustee appointed under Article 58.

The term of office for any Trustee shall be 4 years. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

#### **d. Policies and procedures adopted for the induction and training of trustees**

A comprehensive induction process is in place. This is led by the CEO and delivered through the BEST Teaching School. The core areas of governance are covered: ensuring clarity of vision, ethos and strategic direction; holding executive leaders to account for educational performance; and, overseeing financial performance and ensuring that money is well spent. In addition, new Trustees are made clear of their legal responsibilities and familiarised with BEST's 'Governance, Scheme of Delegation and Operational Structure' policies and protocols.

Training for all Trustees is based on completion of the annual Trustees' Skills Audit. This identifies any gaps in expertise, skills or experience, in line with the aims of BEST. Once identified a bespoke training programme is devised, implemented and evaluated. Implementation is co-ordinated by the BEST Teaching School, with delivery through a range of experts from both within and external to BEST.

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

The Board of Trustees are volunteers and receive no remuneration for their services to the Trust. Responsibility for setting the pay and remuneration of the academy's Chief Executive Officer rests with the Trustees who have determined that the post shall be paid on a seven point scale. The Board monitors the Chief Executive Officer's performance via the Trust Appraisal process and the setting of robust targets. Progression along the pay scale is performance related and not automatic.

The Board have delegated the performance management of all other key personnel to the Chief Executive Officer. The Trust performance management process is applied by the Chief Executive officer to all key personnel within the Trust and performance targets are set for both teaching and support staff. Salary scales and pay progression are determined in accordance with the National schemes. The Chief Executive Officer applies the trust's performance management process to the Principals using the same principles.

The Trustees and Members are committed to complying with the nationally negotiated agreements for both teaching and support staff pay and conditions of employment to all academy staff.

# **BEDFORDSHIRE SCHOOLS TRUST LIMITED**

## **(A company limited by guarantee)**

### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **f. Organisation structure**

BEST's governance structure exists on three levels: the Members, the Board of Trustees (the 'Board') and the Local Governing Bodies (LGBs). The work of these is augmented by a series of focused sub-committees. Roles and responsibilities are clearly described in our scheme of delegation (see 'Governance, Scheme of Delegation and Operational Structure', Appendix 1, referred to as 'Scheme'). This is under constant review, in the light of changing legislation, educational thinking and community feedback. It is improved annually to ensure effective and efficient governance.

Each individual academy possesses a Principal (and leadership team) and a LGB. Delegated responsibility is clearly described in the Scheme. The BEST's CEO, Dr Alan Lee, writes the Scheme. It is the result of consultation with and robust challenge from the academy Principals and LGBs. The Board thoroughly interrogates updates, prior to approval of the Scheme.

A central, integrated team of professionals support the work of the BEST academies. Finance is not delegated and is a central function; other centralised services include human resources, estates management, procurement, IT and aspects of our communications strategy.

Due to the large remit of the Responsible Officer the Trustees have decided to appoint our External Auditors to carry out this role.

These arrangements can provide reasonable, but not absolute, assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

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

Bedfordshire East Schools Trust Limited (BEST Ltd) is a subsidiary of Bedfordshire Schools Trust. BEST Ltd is the freeholder of BEST lands, buildings and assets. BEST Ltd's aim is 'to advance education and community cohesion.' BEST Ltd is a co-operative trust and foundation which enables all schools and academies in the Samuel Whitbread Academy catchment to work together across 6 development strands: Raising Achievement for All, Developing a 0-19 Curriculum and 0-19 Children and Family Services as well as all through Training, Community Cohesion and providing an all through Finance, Resources and ICT Infrastructure.

Bedfordshire East Schools Trust Nurseries Limited (BEST Nurseries Ltd) is a subsidiary of BEST Ltd and currently runs two nurseries.

#### **h. Employment policies**

The Multi-Academy Trust continues to encourage the participation of its employees in the business in which they work. Established communication and consultation procedures exist which aim to ensure that employees are informed about, and involved in, matters which are of interest and concern to them.

BEST is an equal opportunities employer and its policies for the recruitment, training, career development and promotion of employees are based on the relevant merits and abilities of the individuals concerned. The policies also allow disabled persons to compete on an equal basis. Any existing employee who becomes disabled is given the training required to ensure that, wherever possible, continuity of employment can be maintained.

BEST also promotes all aspects of health and safety in the interest of its employees.

# **BEDFORDSHIRE SCHOOLS TRUST LIMITED**

## **(A company limited by guarantee)**

### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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

##### **a. Future developments**

EA continues to expand its age range provision, welcoming its first group of Y9 students, as of 1 September 2016. From 1 September 2017, St Christophers Academy Dunstable, joins BEST. This is a single form Primary academy. On 1 September 2019, BEST intends to open its new free school: the Pix Brook Academy. Pix Brook Academy will be an extended Secondary academy, with a PAN of 180 in each year, from Year 5 to 11.

Trustees have approved Lawnside Lower School Biggleswade joining BEST. This will be considered by the Headteacher Board on 4 October 2017. Additionally, other schools have expressed an interest on joining BEST and are currently going through the due diligence process.

Given the rising demand for 6th Form places, to meet the imminent needs of Etonbury Academy and Pix Brook Academy, BEST is currently considering submitting a 6th Form Free School application.

#### **Post balance sheet events**

BEST is growing and St. Christophers' Academy in Dunstable joined the Trust on 1 September 2017. In addition, Lawnside Lower School, in Biggleswade, will be joining on 1 February 2018.

#### **Disclosure of information to auditor**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable Group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable Group's auditor is aware of that information.

#### **Auditor**

The auditor, Mazars LLP, were reappointed in the year and has indicated its willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

This report was approved by order of the Board of Trustees as the company Directors, on 15 December 2017 and signed on its behalf by:



Ilona Bond  
**Chair of Trustees**

# BEDFORDSHIRE SCHOOLS TRUST LIMITED

(A company limited by guarantee)

## GOVERNANCE STATEMENT

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### Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Bedfordshire Schools Trust Limited and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Carrie Traill, Member Appointed Trustee (1)	0	0
Peter Little, Member and Trustee	3	6
David Shelvey, Member Appointed Trustee and Chair of Finance and Audit Committee	6	6
Paul Walker, Member Appointed Trustee	6	6
Lorraine MacDonald, Member Appointed Trustee	6	6
Julie Hollings, Member Appointed Trustee	6	6
Alan Lee, Member Appointed Trustee	6	6
Catherine Piotrowski, Co-opted Trustee	3	6
Ilona Bond, Member Appointed Trustee and Chair	5	6
Clare Mycock, Co-opted Trustee	0	0
Anthony Saunderson, Co-opted Trustee	0	0

(1) Carrie Traill was seconded to Chair of Samuel Whitbread Academy Governing Body from September 2016 and was therefore released from Board duties for the year

Please refer to page 1 for the full Trustee listing.

# **BEDFORDSHIRE SCHOOLS TRUST LIMITED**

## **(A company limited by guarantee)**

### **GOVERNANCE STATEMENT (continued)**

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The Finance and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to lead the development of strategic plans and provide leadership on financial issues (refer to TORs for specific responsibilities).

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Peter Little	1	3
David Shelvey	3	3
Paul Walker	3	3
Alan Lee	3	3

#### **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 Multi-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 Bedfordshire Schools Trust Limited for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

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

The Board of Trustees has reviewed the key risks to which the Multi-Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Multi-Academy Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

# **BEDFORDSHIRE SCHOOLS TRUST LIMITED**

## **(A company limited by guarantee)**

### **GOVERNANCE STATEMENT (continued)**

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#### **The risk and control framework**

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Mazars LLP, the external auditor, to perform additional checks.

The auditor's role includes giving advice on financial matters and performing a range of checks on the Multi-Academy Trust's financial systems. On an annual basis, the auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

#### **Review of effectiveness**

As Accounting Officer, the Chief Executive Officer 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 Multi-Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

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

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Multi-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 Multi-Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Multi-Academy Trust has delivered improved value for money during the year by:

# **BEDFORDSHIRE SCHOOLS TRUST LIMITED**

## **(A company limited by guarantee)**

### **GOVERNANCE STATEMENT (continued)**

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#### **a) Improving educational outcomes**

BEST expects its schools to provide an outstanding education, as judged by Ofsted. Moreover, it expects student outcome to be in the top 20% nationally, as judged by any attainment or progress measure.

Improvement was delivered in 2016-17. Outcomes in academies, across all key stages rose; with many delivered at or above the 20th percentile.

#### **b) Targeted Improvement**

Staffing structures are reviewed each year and recruitment is focused on providing quality teaching and leadership in all areas of the curriculum. Since April 2016, our new Chief Executive Officer has been putting in place a School Improvement Team to monitor and support the academies across the trust. This powerful transformational team includes an NLE, two NLGs and twenty-two SLEs. In addition, leadership partners are provided to support and challenge Principals; school improvement partners work on targeted areas; and, all academies are part of the Challenge Partners network to continually improve practices. Training and professional development is very important and we use our Teaching School to support by providing courses required at all levels of the trust, including Trustees and governors, to ensure our skills base is sound. BEST is also at the centre of a number of interconnected networks and partnerships focused on accelerating progress and raising attainment across all our academies.

#### **c) Pupil Premium**

Each academy carefully monitors Pupil Premium expenditure and its impact on improving attainment for students on Free School Meals and Looked After Children. At Key Stage 4, each student who is entitled to receive Pupil Premium has a set amount dedicated to overcoming the barriers they face in life which they can spend in consultation with their form tutor.

#### **d) Financial governance and oversight**

The Trust's system of financial control is based on procedures and systems to ensure adequate controls are in place through setting targets, regular management information, delegation of authority and segregation of duties, clearly defined purchasing guidelines and identification and management of risks.

The Board of Trustees approve the annual budget forecast of the academy trust and review admissions numbers/forecast and budgets on an annual basis ensuring that we have future financial stability.

The Finance and Audit Committee meets termly to review the budget monitoring reports, the internal compliance reports and the external auditors' management report and take action on any recommendations made by them. The Accounting Officer has regular meetings with the Chief Financial Officer who monitors the finance teams in each academy on an ongoing basis.

#### **e) Benchmarking**

The Trust benchmarks itself against other multi academy trusts of similar size, student numbers, staff numbers and costs whenever it can access the relevant information. We meet and share best practice with academies outside of the Trust in our community. Membership of education and finance forums provide an opportunity for comparison and discussion.



# **BEDFORDSHIRE SCHOOLS TRUST LIMITED**

## **(A company limited by guarantee)**

### **GOVERNANCE STATEMENT (continued)**

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#### **f) Economies of scale**

Resources are finite and increasingly austere. The Trust considers Value for Money in all decisions that are made. Staff that are in leadership and management roles or have advanced skills are deployed across the academies within the Trust in order to provide cost efficiencies. Support staff functions are combined and tasks shared to achieve maximum savings.

Following appraisal of strategies implemented to date the Trust is looking at how it can achieve further economies of scale within the staffing budget without impacting on the quality of education it provides.

The Trust continually drives the streamlining of finance and administration systems. We review services, subscriptions and licences common to all our academies and endeavours to negotiate a single central solution at a reduced overall cost where beneficial. We look for opportunities to enter into sharing services with other schools, for example the School Sports Co-ordinator providing a service to lower schools outside of the Trust.

To ensure better purchasing and fitness for purpose the Trust has procedures that specify processes that take into account best value in terms of suitability, efficiency, time and cost. The procedures identify value limits for items that can be purchased directly, that need three quotes, and that require competitive tendering.

We ensure purchasing processes are consistent across all the academies within the Trust. We have segregation of duties and defined levels of delegated powers with respect to all purchases. Long term contracts are regularly reviewed and compared against other providers, in order to achieve the best price without compromising quality.

This year we achieved economies of scale by introducing online payments and cashless catering reducing tasks for finance staff. This created enough capacity for the Trust to grow without taking on additional finance staff. Wherever possible we group refurbishments/repairs when obtaining quotes/tenders to achieve maximum value. We also achieve value for money as well as improved outcomes by sharing key staff across our academies.

#### **g) Maximising income generation**

The Academy explores every opportunity to generate additional revenue. Government grants and initiatives are scrutinised for positive outcomes. We use marketing/social media to help publicise our strengths and the good things we are doing more widely to ensure our communities are aware of our successes.

The premises are let to community sports/music/dance groups and clubs. The Trust works very closely with the local community and we have managed to raise income for some projects by successfully bidding to local charities for additional funding.

Operational cash is held in a high interest current account. Reserves have been invested in higher interest instant access account. We continually look at investment opportunities to maximise the potential of these cash reserves.

Approved by order of the members of the Board of Trustees on 15 December 2017 and signed on their behalf, by:



Ilona Bond  
**Chair of Trustees**



Alan Lee  
**Accounting Officer**

**BEDFORDSHIRE SCHOOLS TRUST LIMITED**  
**(A company limited by guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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



Alan Lee  
**Accounting Officer**

Date: 15 December 2017

# **BEDFORDSHIRE SCHOOLS TRUST LIMITED**

## **(A company limited by guarantee)**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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The Trustees (who act as governors of Bedfordshire Schools Trust Limited ("BEST") and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare 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 the Group and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the Group 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 the Group 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 and the Group 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 Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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



Ilona Bond  
**Chair of Trustees**

Date: 15 December 2017

# **BEDFORDSHIRE SCHOOLS TRUST LIMITED**

## **(A company limited by guarantee)**

### **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BEDFORDSHIRE SCHOOLS TRUST LIMITED**

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We have audited the financial statements of Bedfordshire Schools Trust Limited ("the 'Trust'") for the year ended 31 August 2017 which comprise the Consolidated statement of financial activities incorporating income and expenditure account, Consolidated balance sheet, Multi-academy trust balance sheet, Consolidated 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, the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and Charities SORP 2015.

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

#### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditors' reports 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.

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.

# **BEDFORDSHIRE SCHOOLS TRUST LIMITED**

## **(A company limited by guarantee)**

### **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BEDFORDSHIRE SCHOOLS TRUST LIMITED**

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#### **Opinion on the financial statements**

In our opinion the financial statements:

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

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

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

- the information given in the Trustees' Report (including the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report (including the Strategic Report) has been prepared in accordance with applicable legal requirements.

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

In light of the 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 (including the Strategic Report).

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specific 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 Trustees' responsibilities statement set out on page 17, 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 Governors 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 Governors are responsible for assessing the charitable company'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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**BEDFORDSHIRE SCHOOLS TRUST LIMITED**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE  
MEMBERS OF BEDFORDSHIRE SCHOOLS TRUST LIMITED**

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**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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. This report is made solely to the charitable company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 the charitable company's members as a body for our audit work, for this report, or for the opinions we have formed.

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



Stephen Brown (Senior statutory auditor)

for and on behalf of

**Mazars LLP**

Chartered Accountants  
Statutory Auditor

The Pinnacle  
160 Midsummer Boulevard  
Milton Keynes  
MK9 1FF

Date: 20 December 2017

# **BEDFORDSHIRE SCHOOLS TRUST LIMITED**

**(A company limited by guarantee)**

## **INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO BEDFORDSHIRE SCHOOLS TRUST LIMITED AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 25 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bedfordshire Schools Trust Limited during the year to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Bedfordshire Schools Trust Limited and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Bedfordshire Schools Trust Limited and the ESFA those matters we are required to state to it 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 Bedfordshire Schools Trust Limited and the ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Bedfordshire Schools Trust Limited's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Bedfordshire Schools Trust Limited's funding agreement with the Secretary of State for Education dated 28 February 2011 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

# **BEDFORDSHIRE SCHOOLS TRUST LIMITED**

## **(A company limited by guarantee)**

### **INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO BEDFORDSHIRE SCHOOLS TRUST LIMITED AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

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#### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the 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 Multi-Academy Trust's income and expenditure.

A summary of the work we have undertaken is as follows:

- Planned our assurance procedures including identifying key risks;
- Carried out sample testing on controls;
- Carried out substantive testing including analytical review; and
- Concluded on procedures carried out.

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



Stephen Brown (Senior statutory auditor)

for and on behalf of

#### **Mazars LLP**

Chartered Accountants  
Statutory Auditor

The Pinnacle  
160 Midsummer Boulevard  
Milton Keynes  
MK9 1FF

Date: *20 December 2017*



**BEDFORDSHIRE SCHOOLS TRUST LIMITED**  
**(A company limited by guarantee)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME  
AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
<b>INCOME FROM:</b>						
Voluntary income	2	703	5,716	-	6,419	2,164
Activities for generating income	3	751	-	-	751	759
Investment income	4	10	-	-	10	26
Funding for educational operations	5	-	18,754	1,968	20,722	22,647
Other incoming resources	6	-	846	-	846	-
<b>TOTAL INCOME</b>		<b>1,464</b>	<b>25,316</b>	<b>1,968</b>	<b>28,748</b>	<b>25,596</b>
<b>EXPENDITURE ON:</b>						
Other expenditure	7	-	885	-	885	-
Charitable activities		622	19,432	682	20,736	19,282
Costs of generating voluntary income		737	-	-	737	633
<b>TOTAL EXPENDITURE</b>	8	<b>1,359</b>	<b>20,317</b>	<b>682</b>	<b>22,358</b>	<b>19,915</b>
<b>NET INCOME BEFORE TRANSFERS</b>						
Transfers between Funds	20	105 (322)	4,999 (75)	1,286 397	6,390 -	5,681 -
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		(217)	4,924	1,683	6,390	5,681
Actuarial gains/(losses) on defined benefit pension schemes	25	-	1,838	-	1,838	(2,062)
<b>NET MOVEMENT IN FUNDS</b>		<b>(217)</b>	<b>6,762</b>	<b>1,683</b>	<b>8,228</b>	<b>3,619</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		776	(3,311)	47,337	44,802	41,183
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>559</b>	<b>3,451</b>	<b>49,020</b>	<b>53,030</b>	<b>44,802</b>

The notes on pages 27 to 54 form part of these financial statements.

# BEDFORDSHIRE SCHOOLS TRUST LIMITED


Registered number: 07546141

(A company limited by guarantee)

## CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2017

	Note	£000	2017 £000	2016 £000
<b>FIXED ASSETS</b>				
Tangible assets	15		54,278	47,611
<b>CURRENT ASSETS</b>				
Debtors	16	1,344		987
Cash and cash equivalents	23	3,110		3,310
		<u>4,454</u>		<u>4,297</u>
<b>CREDITORS: amounts falling due within one year</b>	17	<u>(2,462)</u>		<u>(2,446)</u>
<b>NET CURRENT ASSETS</b>			<u>1,992</u>	<u>1,851</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>56,270</u>	<u>49,462</u>
<b>CREDITORS: amounts falling due after more than one year</b>	18		<u>(262)</u>	<u>(303)</u>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>56,008</u>	<u>49,159</u>
Defined benefit pension scheme liability	25		<u>(2,978)</u>	<u>(4,357)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>53,030</u></u>	<u><u>44,802</u></u>
<b>FUNDS OF THE ACADEMY</b>				
Restricted income funds:				
Restricted income funds	20	6,429		1,046
Restricted fixed asset funds	20	49,020		47,337
		<u>55,449</u>		<u>48,383</u>
Restricted income funds excluding pension liability				48,383
Pension reserve		<u>(2,978)</u>		<u>(4,357)</u>
Total restricted income funds			<u>52,471</u>	<u>44,026</u>
Unrestricted income funds	20		<u>559</u>	<u>776</u>
<b>TOTAL FUNDS</b>			<u><u>53,030</u></u>	<u><u>44,802</u></u>

The financial statements on pages 23 to 54 were approved by the Trustees, and authorised for issue, on 15 December 2017 and are signed on their behalf, by:

Ilona Bond   
Chair of Trustees

The notes on pages 27 to 54 form part of these financial statements.

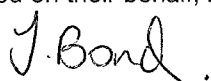
**BEDFORDSHIRE SCHOOLS TRUST LIMITED**

Registered number: 07546141

**(A company limited by guarantee)****MULTI-ACADEMY TRUST BALANCE SHEET****AS AT 31 AUGUST 2017**

	Note	£000	2017 £000	£000	2016 £000
<b>FIXED ASSETS</b>					
Tangible assets	15		48,949		47,611
<b>CURRENT ASSETS</b>					
Debtors	16	1,270		988	
Cash and cash equivalents	23	2,769		3,310	
		<u>4,039</u>		<u>4,298</u>	
<b>CREDITORS:</b> amounts falling due within one year	17	(2,395)		(2,447)	
<b>NET CURRENT ASSETS</b>			<u>1,644</u>		<u>1,851</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>50,593</u>		<u>49,462</u>
<b>CREDITORS:</b> amounts falling due after more than one year	18		(262)		(303)
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>50,331</u>		<u>49,159</u>
Defined benefit pension scheme liability	25		(2,978)		(4,357)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>47,353</u></u>		<u><u>44,802</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted funds		752		1,046	
Restricted fixed asset funds		49,020		47,337	
		<u>49,772</u>		<u>48,383</u>	
Restricted funds excluding pension asset					
Pension reserve		(2,978)		(4,357)	
		<u></u>		<u></u>	
Total restricted funds			46,794		44,026
Unrestricted funds			559		776
			<u>559</u>		<u>776</u>
<b>TOTAL FUNDS</b>			<u><u>47,353</u></u>		<u><u>44,802</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 15 December 2017 and are signed on their behalf, by:



Ilona Bond  
Chair of Trustees

The notes on pages 27 to 54 form part of these financial statements.

**BEDFORDSHIRE SCHOOLS TRUST LIMITED**  
**(A company limited by guarantee)**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £000	2016 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	22	1,563	4,371
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		10	26
Purchase of tangible fixed assets		(2,089)	(6,245)
Cash acquired on assuming control		358	-
<b>Net cash used in investing activities</b>		<b>(1,721)</b>	<b>(6,219)</b>
<b>Cash flows from financing activities:</b>			
Finance lease interest		(5)	(10)
Finance lease payments		(37)	(80)
<b>Net cash used in financing activities</b>		<b>(42)</b>	<b>(90)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(200)</b>	<b>(1,938)</b>
Cash and cash equivalents brought forward		3,310	5,248
<b>Cash and cash equivalents carried forward</b>	23	<b>3,110</b>	<b>3,310</b>

The notes on pages 27 to 54 form part of these financial statements.

# **BEDFORDSHIRE SCHOOLS TRUST LIMITED**

## **(A company limited by guarantee)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **1. ACCOUNTING POLICIES**

##### **1.1 Basis of preparation of financial statements**

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

Bedfordshire Schools Trust Limited constitutes a public benefit entity as defined by FRS 102.

The academy is incorporated in England and registered in Bedfordshire.

The functional and presentational currency of the academy trust is Pound Sterling.  
The financial statements are presented to the nearest round thousand.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the Multi-Academy Trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Multi-Academy Trust alone as permitted by section 408 of the Companies Act 2006.

##### **1.2 Fund accounting**

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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 and include grants from the Department for Education.

# **BEDFORDSHIRE SCHOOLS TRUST LIMITED**

## **(A company limited by guarantee)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **1. ACCOUNTING POLICIES (continued)**

##### **1.3 Income**

All income is recognised once the Multi-Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. 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.

Sponsorship income provided to the Multi-Academy Trust which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

##### **1.4 Expenditure**

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

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs 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.

# BEDFORDSHIRE SCHOOLS TRUST LIMITED

## (A company limited by guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.5 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 Multi-Academy Trust 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.

##### 1.6 Basis of consolidation

The financial statements consolidate the accounts of Bedfordshire Schools Trust Limited and all of its subsidiary undertakings ('subsidiaries').

The Multi-Academy Trust has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The surplus for the year in the income and expenditure account in the accounts of the Multi-Academy Trust was £2,551k (2016 - £3,619k).

##### 1.7 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised.

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.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	Over the period of the lease
Asset under the course of construction	-	No depreciation
Motor vehicles	-	20% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	33% straight line

# **BEDFORDSHIRE SCHOOLS TRUST LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **1. ACCOUNTING POLICIES (continued)**

##### **1.8 Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Multi-Academy Trust. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### **1.9 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

##### **1.10 Taxation**

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

##### **1.11 Debtors**

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

##### **1.12 Cash at Bank and in hand**

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

##### **1.13 Liabilities and provisions**

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 Multi-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. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.



# **BEDFORDSHIRE SCHOOLS TRUST LIMITED**

## **(A company limited by guarantee)**

### **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **1. ACCOUNTING POLICIES (continued)**

##### **1.14 Financial instruments**

The Multi-Academy Trust only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income. For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Multi-Academy Trust would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# **BEDFORDSHIRE SCHOOLS TRUST LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **1. ACCOUNTING POLICIES (continued)**

##### **1.15 Pension**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Multi-Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, 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.

# **BEDFORDSHIRE SCHOOLS TRUST LIMITED**

## **(A company limited by guarantee)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **1. ACCOUNTING POLICIES (continued)**

##### **1.16 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.

Critical accounting estimates and assumptions:

The Multi-Academy Trust 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 25, 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 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

Depreciation of fixed assets

Depreciation rates have been set by management, based on the estimate useful life of the assets, using prior experience and long term planning.

Donated assets

Donated assets are valued by qualified experts from the ESFA, and the value of donated assets in the financial statements reflect their calculations.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**2. VOLUNTARY INCOME**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Donations	-	-	-	-	1,603
Donation on assuming control	-	5,716	-	5,716	-
School fund income	703	-	-	703	561
	<u>703</u>	<u>5,716</u>	<u>-</u>	<u>6,419</u>	<u>2,164</u>

From 1 September 2016, Bedfordshire East Schools Trust Limited and Bedfordshire East Schools Trust Nurseries Limited became a subsidiary of the Multi-Academy Trust by virtue of control. Donation on assuming control (£5,709k) represents the pre-acquisition reserves/funds of the entities which have been restricted of the entities' own activities.

In 2016, of the total income from donations and legacies, £567k was to unrestricted funds and £1,597k was to restricted funds. Donations included the donated capital asset of £1,597k, Arlesey Nursery, which was brought in from Central Bedfordshire into Gothic Mede Academy. The £1,597k was the insurance value as per Central Bedfordshire's property portfolio at the time of transfer into the Trust. The Trustees feel the amount is realistic in comparison with the valuation of the other BEST nursery.

**3. ACTIVITIES FOR GENERATING INCOME**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Hire of facilities	23	-	23	21
Other income	285	-	285	334
Staff recharges	1	-	1	20
Catering income	442	-	442	384
	<u>751</u>	<u>-</u>	<u>751</u>	<u>759</u>

In 2016, of the total fundraising income, £759k was to unrestricted funds and £NIL was to restricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**4. INVESTMENT INCOME**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Bank interest received	10	-	10	26
	<u>10</u>	<u>-</u>	<u>10</u>	<u>26</u>

In 2016, of the total investment income, £26k was to unrestricted funds and £NIL was to restricted funds.

**5. FUNDING FOR EDUCATIONAL OPERATIONS**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
<b>DfE/ESFA revenue grants</b>				
General Annual grants	-	16,583	16,583	16,587
Other Dfe/ESFA grants	-	755	755	404
Local authority grants	-	470	470	448
Educational consultancy services	-	547	547	530
Capital grants	-	2,366	2,366	4,678
	<u>-</u>	<u>20,721</u>	<u>20,721</u>	<u>22,647</u>

In 2016, of the total income from charitable activities, £NIL was to unrestricted funds and £22,647k was to restricted funds.

**6. OTHER INCOMING RESOURCES**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Charity income	-	83	83	-
Nursery income	-	763	763	-
	<u>-</u>	<u>846</u>	<u>846</u>	<u>-</u>

Charity income - relates to the charitable income for the subsidiary, Bedfordshire East Schools Trust Limited.

Nursery income - relates to the trading income for the subsidiary, Bedfordshire East Schools Trust Nurseries Limited.

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**7. OTHER EXPENDITURE**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Charity expenditure	-	149	149	-
Nursery expenditure	-	736	736	-
	<u>-</u>	<u>885</u>	<u>885</u>	<u>-</u>

Charity expenditure - relates to the charitable expenditure for the subsidiary, Bedfordshire East Schools Trust Limited.

Nursery expenditure - relates to the trading expenditure for the subsidiary, Bedfordshire East Schools Trust Nurseries Limited.

**8. EXPENDITURE**

**Total expenditure**

	Staff costs £000	Other costs £000	2017 £000	2016 £000
Direct costs	13,333	2,130	15,463	14,482
Support costs	1,984	4,026	6,010	5,433
Other expenditure (see note 7)	540	344	884	-
	<u>15,857</u>	<u>6,500</u>	<u>22,357</u>	<u>19,915</u>

**Analysis of support costs**

	2017 £000	2016 £000
Support staff costs	1,984	1,798
Catering costs	325	237
Premises costs	2,618	2,346
Other support costs	1,083	1,022
Governance costs	-	30
	<u>6,010</u>	<u>5,433</u>

**BEDFORDSHIRE SCHOOLS TRUST LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Depreciation of tangible fixed assets:		
- owned by the charitable group	711	394
- held under finance leases	44	54
Operating lease rentals:		
- PFI agreement	820	807
- other operating leases	117	95
	<u>          </u>	<u>          </u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**10. STAFF COSTS**

Staff costs were as follows:

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	11,748	11,240
Social security costs	1,064	881
Other pension costs (Note 25)	2,354	1,955
	<u>15,166</u>	<u>14,076</u>
Supply teacher costs	151	86
Nursery staff costs	540	-
	<u>15,857</u>	<u>14,162</u>

Included within staff costs are redundancy payments totalling:

2017 - statutory £86k, non-statutory £9k.

2016 - statutory £41k, non-statutory £2k.

The Multi-Academy Trust paid apprenticeship levy of £18k (2016 - £NIL).

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

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
Teaching staff	241	225
Non-teaching staff	247	173
	<u>488</u>	<u>398</u>

The average monthly number of employees employed by the subsidiary, Bedfordshire East Schools Trust Nurseries Limited, during the year was 37 (2016 - 37). The staff costs have been reflected in the 'Nursery staff costs' line above.

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

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	5	5
In the band £70,001 - £80,000	3	4
In the band £80,001 - £90,000	2	0
In the band £110,000 - £120,000	0	1
In the band £140,000 - £150,000	1	0

11 (2016 - 10) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2017, pension contributions for these staff amounted to £122k (2016 - £101k).

The key management personnel of the multi-academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £801k (2016 - £893k).



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**11. CENTRAL SERVICES**

The Multi-Academy Trust provided the following central services to its academies during the year:

- School improvement support
- Capital resources and operations support
- HR and payroll
- Finance
- IT
- Head office rental
- Head office admin costs
- Pension reporting

There is a central team that provides these functions across the whole Trust removing the need for duplicating roles and tasks in each academy and therefore providing economies of scale. The school improvement support is additional this year and provides internal and external specialists as required.

In 2016 and 2017 the Trust determined the charge by applying a flat rate of 5%.

The actual amounts charged during the year were as follows:

	<b>2017</b>
	<b>£000</b>
Samuel Whitbread Academy	399
Robert Bloomfield Academy	181
Etonbury Academy	119
Gothic Mede Academy	54
Langford Village Academy	31
Gravenhurst Academy	14
	<hr/>
	798
	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**12. TRUSTEES' REMUNERATION AND EXPENSES**

During the year retirement benefits were accruing to 1 Trustees (2016 - 3) in respect of defined contribution pension schemes.

The highest paid Trustee received remuneration of £147 (2016 - £114 thousand).

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 other 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:

		<b>2017</b>	<b>2016</b>
		<b>£000</b>	<b>£000</b>
Alan Lee	Remuneration	145-150	55-60
	Pension contributions paid	20-25	5-10

Alan Lee joined the MAT during 2016.

During the year, Trustees received reimbursement of expenses of £1k (2016 - £1k).

**13. PENSION FINANCE INCOME / (COST)**

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Expected return on pension scheme assets	134	187
Interest on pension scheme liabilities	(224)	(268)
	<u>(90)</u>	<u>(81)</u>

**14. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000k on any one claim and the cost for the year ended 31 August 2017 was £4k (2016 - £2k).

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**15. TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Long-term leasehold property £000</b>	<b>Asset under the course of const'n £000</b>	<b>Fixtures and fittings £000</b>	<b>Computer equipment £000</b>	<b>Motor vehicles £000</b>	<b>Total £000</b>
<b>Cost</b>						
At 1 September 2016	40,552	8,136	241	282	13	49,224
Additions	47	2,034	8	-	-	2,089
Transfers intra group	5,440	-	22	-	-	5,462
Disposals	-	(61)	-	-	-	(61)
Transfer between classes	7,614	(8,199)	438	147	-	-
At 31 August 2017	53,653	1,910	709	429	13	56,714
<b>Depreciation</b>						
At 1 September 2016	1,258	-	122	229	4	1,613
Charge for the year	550	-	125	77	4	756
Transfers intra group	57	-	10	-	-	67
At 31 August 2017	1,865	-	257	306	8	2,436
<b>Net book value</b>						
At 31 August 2017	51,788	1,910	452	123	5	54,278
At 31 August 2016	39,294	8,136	119	53	9	47,611

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

<b>Group</b>	<b>2017 £000</b>	<b>2016 £000</b>
Long-term leasehold property (solar panels)	405	332
Motor vehicles	5	10
	<u>410</u>	<u>342</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**15. TANGIBLE FIXED ASSETS (continued)**

Multi-academy trust	Long-term leasehold property £000	Asset under the course of const'n £000	Fixtures and fittings £000	Computer equipment £000	Motor vehicles £000	Total £000
<b>Cost</b>						
At 1 September 2016	40,552	8,136	241	282	13	49,224
Additions	47	2,034	-	-	-	2,081
Disposals	-	(61)	-	-	-	(61)
Transfer between classes	7,614	(8,199)	438	147	-	-
At 31 August 2017	48,213	1,910	679	429	13	51,244
<b>Depreciation</b>						
At 1 September 2016	1,258	-	122	229	4	1,613
Charge for the year	481	-	120	77	4	682
At 31 August 2017	1,739	-	242	306	8	2,295
<b>Net book value</b>						
At 31 August 2017	46,474	1,910	437	123	5	48,949
At 31 August 2016	39,294	8,136	119	53	9	47,611

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

Multi-academy trust	2017 £000	2016 £000
Long-term leasehold property (solar panels)	405	332
Motor vehicles	5	10
	410	342

**16. DEBTORS**

	Group		Multi-academy trust	
	2017 £000	2016 £000	2017 £000	2016 £000
Trade debtors	321	52	260	52
Other debtors	822	712	822	713
Prepayments and accrued income	201	223	188	223
	1,344	987	1,270	988

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**17. CREDITORS: Amounts falling due within one year**

	<u>Group</u>		<u>Multi-academy trust</u>	
	<u>2017</u> <u>£000</u>	<u>2016</u> <u>£000</u>	<u>2017</u> <u>£000</u>	<u>2016</u> <u>£000</u>
Net obligations under finance leases and hire purchase contracts	16	7	16	7
Trade creditors	805	1,120	783	1,120
Other taxation and social security	273	271	265	271
Other creditors	493	242	493	242
Accruals and deferred income	875	806	838	807
	<u>2,462</u>	<u>2,446</u>	<u>2,395</u>	<u>2,447</u>

**18. CREDITORS: Amounts falling due after more than one year**

	<u>Group</u>		<u>Multi-academy trust</u>	
	<u>2017</u> <u>£000</u>	<u>2016</u> <u>£000</u>	<u>2017</u> <u>£000</u>	<u>2016</u> <u>£000</u>
Net obligations under finance leases and hire purchase contracts	<u>262</u>	<u>303</u>	<u>262</u>	<u>303</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	<u>Group</u>		<u>Multi-academy trust</u>	
	<u>2017</u> <u>£000</u>	<u>2016</u> <u>£000</u>	<u>2017</u> <u>£000</u>	<u>2016</u> <u>£000</u>
Repayable by instalments	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	<u>Group</u>		<u>Multi-academy trust</u>	
	<u>2017</u> <u>£000</u>	<u>2016</u> <u>£000</u>	<u>2017</u> <u>£000</u>	<u>2016</u> <u>£000</u>
Between one and five years	162	203	162	203
After five years	100	100	100	100
	<u>262</u>	<u>303</u>	<u>262</u>	<u>303</u>

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**19. GROUP FINANCIAL INSTRUMENTS**

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Financial assets measured at fair value through income and expenditure	3,110	3,310
Financial assets measured at amortised cost	1,143	764
	<u>4,253</u>	<u>4,074</u>
Financial liabilities measured at amortised cost	<u>1,391</u>	<u>1,774</u>

Financial assets measured at fair value through income and expenditure comprise of cash and cash equivalents.

Financial assets measured at amortised cost comprise of trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise of net obligations under finance leases, trade creditors, other creditors and accruals.

**20. STATEMENT OF FUNDS**

	<b>Balance at 1 September 2016 £000</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Transfers in/out £000</b>	<b>Gains/ (Losses) £000</b>	<b>Balance at 31 August 2017 £000</b>
<b>Designated funds</b>						
RBA School Fund	167	431	(469)	-	-	129
ETA School Fund	35	231	(225)	-	-	41
GMA School Fund	13	23	(27)	-	-	9
LVA School Fund	7	18	(16)	-	-	9
	<u>222</u>	<u>703</u>	<u>(737)</u>	<u>-</u>	<u>-</u>	<u>188</u>
<b>General funds</b>						
General Funds - all funds	554	761	(622)	(322)	-	371
Total Unrestricted funds	<u>776</u>	<u>1,464</u>	<u>(1,359)</u>	<u>(322)</u>	<u>-</u>	<u>559</u>

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**20. STATEMENT OF FUNDS (continued)**

**Restricted funds**

General Annual Grant (GAG)	570	17,709	(18,118)	113	-	274
School Condition Allowance	213	498	(447)	(188)	-	76
RBA Teaching School	263	547	(408)	-	-	402
Subsidiary - Bedfordshire East Schools Trust Limited	-	5,789	(149)	-	-	5,640
Subsidiary - Bedfordshire East Schools Trust Nurseries Limited	-	773	(736)	-	-	37
Pension reserve	(4,357)	-	(459)	-	1,838	(2,978)
	<u>(3,311)</u>	<u>25,316</u>	<u>(20,317)</u>	<u>(75)</u>	<u>1,838</u>	<u>3,451</u>

**Restricted fixed asset funds**

Restricted Fixed Asset Funds - all funds	47,611	-	(682)	2,020	-	48,949
Transforming Education Phase 1	(265)	24	-	241	-	-
Transforming Education Phase 2	(6)	1,944	-	(1,859)	-	79
Transforming Education Free School	(3)	-	-	(5)	-	(8)
	<u>47,337</u>	<u>1,968</u>	<u>(682)</u>	<u>397</u>	<u>-</u>	<u>49,020</u>
Total restricted funds	<u>44,026</u>	<u>27,284</u>	<u>(20,999)</u>	<u>322</u>	<u>1,838</u>	<u>52,471</u>
Total of funds	<u>44,802</u>	<u>28,748</u>	<u>(22,358)</u>	<u>-</u>	<u>1,838</u>	<u>53,030</u>

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

Designated Funds

The schools maintain separate School Funds to manage income and expenditure for school trips and other activities. The Samuel Whitbread Academy and Gravenhurst Academy school funds are an incorporated charity and therefore not shown in the financial statements of BEST.

General Fund

This represents income and expenditure relating to activities undertaken by the Academies as part of their charitable aims. The Academies can use these funds for any purpose.

Restricted Funds

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

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**20. STATEMENT OF FUNDS (continued)**

Under the funding agreement with the Secretary of State the Multi-Academy Trust was subject to limits at 31 August 2017 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes. The Multi-Academy Trust has not exceeded these limits during the year ended 31 August 2017.

The School Condition Allowance, the Robert Bloomfield Academy (RBA) Teaching School and Pension reserve are shown separately to GAG.

The 'Subsidiary - Bedfordshire East Schools Trust Limited' and 'Subsidiary - Bedfordshire East Schools Trust Nurseries Limited' relate to the reserves of the subsidiary entities consolidated into the Group financial statements.

Restricted Fixed Asset Funds

Fixed Asset Funds are reflective of the net book value of tangible fixed assets held by BEST.

The Transforming Education Phase Funds represent the different phases of funding received from the ESFA to expand the capacity of Robert Bloomfield Academy and Etonbury Academy. The Transforming Education Free School Fund represents the initial set up of a Free School for which the build has not yet started. Funding has been received post year end to clear the current deficit.

During the year ended 31 August 2017, transfers were made from asset under the course of construction to long-term leasehold property as the buildings came into use.

**ANALYSIS OF ACADEMIES AND SUBSIDIARIES BY FUND BALANCE**

Fund balances at 31 August 2017 were allocated as follows:

	<b>Total 2017 £000</b>	<b>Total 2016 £000</b>
Samuel Whitbread Academy	24	193
Robert Bloomfield Academy	255	356
Etonbury Academy	(61)	57
Gravenhurst Academy	150	161
Gothic Mede Academy	379	402
Langford Village Academy	91	89
Centralised Function	70	301
Teaching School	403	263
Subsidiary - Bedfordshire East Schools Trust Limited	5,640	-
Subsidiary - Bedfordshire East Schools Trust Nurseries Limited	37	-
Total before fixed asset fund and pension reserve	6,988	1,822
Restricted fixed asset fund of the MAT	49,020	47,337
Pension reserve	(2,978)	(4,357)
Total	53,030	44,802



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**20. STATEMENT OF FUNDS (continued)**

The following academy is carrying a net deficit on its portion of the funds as follows:

Name of academy	Amount of deficit £000
Etonbury Academy	61

The deficit was planned and used for funding the operational changes required for supporting the expansion of the school and complete recovery will be achieved in 2017/2018.

The Multi-Academy Trust is taking the following action to return the academies to surplus:

From 2018/19 the lagged funding catches up with the growth, the majority of recruitment will be complete and the academy will enter a new phase of stability in terms of student numbers.

**ANALYSIS OF COSTS BY ACADEMIES AND SUBSIDIARIES**

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2017 £000	Total 2016 £000
Samuel Whitbread Academy	5,815	459	404	1,597	8,275	8,673
Robert Bloomfield Academy	2,933	533	93	903	4,462	4,085
Etonbury Academy	2,391	389	79	714	3,573	2,538
Gravenhurst Academy	230	45	13	56	344	300
Gothic Mede Academy	981	203	35	191	1,410	1,313
Langford Village Academy	512	112	10	112	746	796
Central Teaching School	471	243	-	861	1,575	-
Subsidiary - Bedfordshire East Schools Trust Limited	-	-	-	408	408	-
Subsidiary - Bedfordshire East Schools Trust Nurseries Limited	-	-	-	79	79	-
	540	-	-	192	732	-
	<u>13,873</u>	<u>1,984</u>	<u>634</u>	<u>5,113</u>	<u>21,604</u>	<u>17,705</u>

**BEDFORDSHIRE SCHOOLS TRUST LIMITED**  
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**21. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Tangible fixed assets	-	5,330	48,949	54,279	47,609
Current assets	559	3,823	71	4,453	4,298
Creditors due within one year	-	(2,462)	-	(2,462)	(2,445)
Creditors due in more than one year	-	(262)	-	(262)	(303)
Provisions for liabilities and charges	-	(2,978)	-	(2,978)	(4,357)
	<u>559</u>	<u>3,451</u>	<u>49,020</u>	<u>53,030</u>	<u>44,802</u>

**22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2017 £000	2016 £000
Net income for the year (as per Statement of financial activities)	6,390	5,681
<b>Adjustment for:</b>		
Depreciation charges	756	448
Interest received	(10)	(26)
Interest paid	5	10
Donated asset	-	(1,597)
Donation on assuming control	(5,716)	-
(Increase)/decrease in debtors	(357)	167
Decrease in creditors	(25)	(457)
FRS102 pension adjustment	459	145
Loss on disposal	61	-
<b>Net cash provided by operating activities</b>	<u>1,563</u>	<u>4,371</u>

**23. CASH AND CASH EQUIVALENTS**

	2017 £000	2016 £000
Group - cash at bank and in hand	3,110	3,310
<b>Total</b>	<u>3,110</u>	<u>3,310</u>

Multi-Academy Trust cash and cash equivalents is cash at bank and in hand of £2,769k (2016 - £3,310k).

**BEDFORDSHIRE SCHOOLS TRUST LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**24. GRANT FUNDED CAPITAL COMMITMENTS**

At 31 August 2017 the Multi-Academy Trust had capital commitments as follows:

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Contracted for but not provided in these financial statements	4,172	97

**25. PENSION COMMITMENTS**

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

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

**Teachers' Pension Scheme**

**Introduction**

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

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

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

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### 25. PENSION COMMITMENTS (continued)

#### 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 £1,356k (2016 - £1,370)k.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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

#### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £782k (2016 - £740k, of which employers' contributions totalled £619k (2016 - £585k and employees contributions totalled £163k (2016 - £155k). The agreed contribution rates for future years are 24% for employers and employees' contributions are banded according to their pay scale.

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 the Balance sheet date (expressed as weighted averages):

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	2.70 %	3.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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**25. PENSION COMMITMENTS (continued)**

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

	<b>2017</b>	<b>2016</b>
Retiring today		
Males	22.4	22.4
Females	24.5	24.3
Retiring in 20 years		
Males	24.0	24.4
Females	26.2	26.8

The Group's share of the assets and liabilities in the scheme and the expected rates of return were:

	<b>Fair value at 31 August 2017 £000</b>	<b>Fair value at 31 August 2016 £000</b>
Equities	4,185	4,843
Debt instruments	1,101	629
Property	661	629
Cash	1,395	188
Total market value of assets	<u>7,342</u>	<u>6,289</u>

The actual return on scheme assets was £262k (2016 - £859k).

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

	<b>2017 £000</b>	<b>2016 £000</b>
Current service cost	(992)	(649)
Interest on obligation	(224)	(268)
Expected return on scheme assets	134	187
Total	<u>(1,082)</u>	<u>(730)</u>
Actual return on scheme assets	<u>262</u>	<u>859</u>

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**25. PENSION COMMITMENTS (continued)**

Movements in the present value of the defined benefit obligation were as follows:

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Opening defined benefit obligation	10,646	6,840
Current service cost	992	649
Interest cost	224	268
Contributions by scheme participants	168	155
Actuarial (Gains)/losses	(1,710)	2,734
	<u>10,320</u>	<u>10,646</u>

Movements in the fair value of the Group's share of scheme assets:

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Opening fair value of scheme assets	6,289	4,690
Expected return on assets	134	187
Actuarial gains and (losses)	128	672
Contributions by employer	623	585
Contributions by employees	168	155
	<u>7,342</u>	<u>6,289</u>

**26. OPERATING LEASE COMMITMENTS**

	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>
	<b>Land and</b>	<b>Other</b>	<b>Land and</b>	<b>Other</b>
	<b>buildings</b>		<b>buildings</b>	
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Within 1 year	832	136	807	84
Between 1 and 5 years	3,327	170	3,227	80
After more than 5 years	11,923	-	11,566	-
	<u>16,082</u>	<u>306</u>	<u>15,600</u>	<u>164</u>

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **27. RELATED PARTY TRANSACTIONS**

The Multi-Academy Trust has taken advantage of the exemption available in accordance with Section 33 of Financial Reporting Standard 102 not to disclose transactions entered into between two or more members of the group.

#### **28. POST BALANCE SHEET EVENTS**

BEST is growing and St. Christophers' Academy in Dunstable joined the Trust on 1 September 2017. In addition, Lawnside Lower School, in Biggleswade, will be joining on 1 February 2018.

#### **29. MEMBERS' LIABILITY**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £NIL for the debts and liabilities contracted before he/she ceases to be a member.

#### **30. PRINCIPAL SUBSIDIARIES**

##### **Bedfordshire East Schools Trust Limited**

Subsidiary name	Bedfordshire East Schools Trust Limited
Company registration number	6865093
Charity registration number	1132611
Basis of control	By virtue of common Trustees
Total assets as at 31 August 2017	£ 5,731,000
Total liabilities as at 31 August 2017	£ (91,000)
Total funds as at 31 August 2017	£ 5,640,000
Gross income for the year ended 31 August 2017	£ 83,000
Expenditure for the year ended 31 August 2017	£ (149,000)
Deficit for the year ended 31 August 2017	£ (66,000)

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**30. PRINCIPAL SUBSIDIARIES (continued)**

**Bedfordshire East Schools Trust Nurseries Limited**

Subsidiary name	Bedfordshire East Schools Trust Nurseries Limited
Company registration number	07623848
Basis of control	By virtue of common Trustees/Directors
Total assets as at 31 August 2017	£ 200,000
Total liabilities as at 31 August 2017	£ (53,000)
Total equity as at 31 August 2017 *	£ 147,000
Turnover for the year ended 31 August 2017	£ 763,000
Expenditure for the year ended 31 August 2017	£ (736)
Profit for the year ended 31 August 2017	£ 28,000

The subsidiaries both had an accounting period for the 17 month period ended 31 August 2017 to bring them in line with the Multi-Academy Trust (refer to note 5). The turnover, expenditure and deficit / profit above represents 12/17 of the trade in this period being the year ended 31 August 2017.

Included within total equity is a capital contribution reserve from Bedfordshire East Schools Trust Limited of £110,000 which has been eliminated on consolidation.