

**LIFE ACADEMIES TRUST**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

**LIFE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

<b>Members</b>	Mrs M Topley (resigned 10 March 2017) Mr J Dilley Mr G Waghom Mr P Rose (appointed 21 July 2016) Mr B Briars (appointed 21 July 2016)
<b>Trustees</b>	Mrs M Topley, Chair (resigned 21 September 2016) Mr J Dilley, Chair Mr G Waghom Mrs E Wyatt (resigned 21 September 2016) Mrs J Bull (resigned 21 September 2016) Ms D Bryne (resigned 21 September 2016) Ms A Galea Mr M Berman (appointed 21 September 2016) Miss C Woodhams (appointed 21 September 2016) Mr A Dean (appointed 21 September 2016) Mr D Cooke Mr S Phillips
<b>Company Registered Number</b>	07928028
<b>Company Name</b>	Life Academies Trust
<b>Registered and Principal Office</b>	Mead End Biggleswade Bedfordshire SG18 8JU
<b>Company Secretary</b>	Mrs K Doyle
<b>Accounting Officer</b>	Mr S Phillips
<b>Senior Leadership Team</b>	Mr S C Phillips, Principal Ms S Flynn, Acting Academy Principal Mr M Steer, Vice Principal Mr A Whiteway, Associate Principal Mrs D Briars, Associate Principal Mrs B Wilson, Associate Principal Mr R Monti, Associate Principal Mrs E Wyatt, Head of Early Years
<b>Independent Auditors</b>	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
<b>Bankers</b>	Lloyds Bank plc PO Box 1000 Andover BX1 1LT
<b>Solicitors</b>	Stone King LLP 16 St John's Lane London EC1M 4BS

**LIFE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees present their Annual Report together with the financial statements and Auditor's report of LIFE Academies Trust (the Trust, or the Charitable Company) for the period 1 September 2016 to 31 August 2017. The Annual Report serves the purposes of both a Trustees' Report and a Director's Report under company law.

For the purposes of this report the terms Trustees and Directors are used interchangeably.

During the year ended 31 August 2017, LIFE Academies Trust operated 1 Academy and a Children's Centre in Bedfordshire, England with a pupil roll of approximately 1,200 in the Summer Term 2017 school census.

The Trust operates Biggleswade Academy for (the School or the Academy) children and young people aged 2 to 13 serving a catchment area in Biggleswade, which is a rapidly growing market town located in Central Bedfordshire.

### **Structure, Governance and Management**

#### **Constitution**

The Trust is a Company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents.

The Directors act as the Trustees for the charitable activities of the Trust and are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as LIFE Academies Trust.

Details of the Trustees who served throughout the year are included in the reference and administration details on page 1. The details specify the structure and those responsible for Governance during both 2016-17 Academic year and from 1 September 2017.

#### **Members' Liability**

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

#### **Trustees' Indemnities**

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides up to £5,000,000 on any one. The cost of this insurance is included in the total insurance cost.

Directors of the Company are covered by LIFE Academies Trust's insurance policy which is held through participation in the DFE 'Risk Pool Arrangement', covering the Trustees Indemnity policy.

#### **Method of Recruiting and Appointment or Election of Trustees**

The Trustees are appointed by the Members of LIFE Academies Trust, of which there are 5. The term of office for any Director is 4 years and thereafter they may be re-appointed. The make-up of the Board includes experienced professionals in areas such as HR, Finance, Law and Education, who have a detailed understanding of the operational and legal requirements of running large public and private sector institutions.

LIFE Academies Trust governance recruitment activity will typically take place across three levels:

1. National promotions working with Academy Ambassadors/Inspiring Governance/ School Governors' One Stop Shop (SGOSS).
2. Local promotions including local advertising/contact with parents and staff.
3. Face to face recommendations by individual Trustees to friends and colleagues.

## LIFE ACADEMIES TRUST

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### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

#### Advertising Vacancies

- All Trustee vacancies are usually advertised through external organisations; Academy Ambassadors/Inspiring Governance/ School Governors' One Stop Shop (SGOSS) as appropriate.
- In addition, vacancies are advertised via 'Parent mail' on School's websites and through other usual School/setting methods of communication (including social media), together with the job description, person specification and governance code of conduct. Where the Board has identified a specific skill/knowledge gap through its audit process that will be included in the advert (with consideration to the next point).
- Whilst specific skills may be required, adverts will seek to avoid being too narrow and therefore having the potential to put people off by being too specific about the skills and experience required from new Trustees. In general, governance publicity will indicate that a wide range of complementary skills is being sought without seeming that "only professionals need apply".
- There are no age restrictions to those being involved in Trust governance (other than being over 18).
- Adverts seek to be realistic about the time commitment required and responsibilities associated with such roles. They will seek to neither understate nor overstate the requirements and responsibilities, but give an accurate picture of life involved with Trust governance. It will also be made clear to all potential applicants that decision making is collective and that no Trustee has to 'go it alone' within such a role.
- Generally a closing date for applications will be set 14 days after the advertisement.

All existing Trustees should also make the effort to take suitable opportunities to encourage friends, colleagues and neighbours to consider becoming Trustees themselves.

#### Policies and Procedures Adopted for the Induction and Training of Trustees

An induction programme is in place for new Trustees which enables them to gain an understanding of the ethos, values and strategic direction of the Trust, as well as the responsibilities of charity trustees. Trustees are given a Mentor for their first year in post and a variety of training opportunities are made available to them. They are also encouraged to make visits to the Academy and gain a more in-depth understanding of school life.

#### Organisational Structure

LIFE Academies Trust has established a tiered governance structure to enable its efficient running.

The structure consists of 3 levels: the Members, the Board of Trustees and its Committees and 2 Academy Governance Committees at Biggleswade Academy – 1 for Early Years (covering The Academy Pre-School, Lawns Nursery Centre, Blossom Transition Class, Reception aged children and the Biggleswade and District Children's Centre) and a second for the Main Academy (covering Key Stages 1,2 and 3).

The aim of the governance structure is to create a cohesive framework within which all aspects of our work can be led as part of one organisation and to encourage involvement in decision making at all levels.

The Trustees are responsible for making major decisions about the strategic direction of the Trust, ensuring that its aims are met and its ethos is maintained. Specifically, this includes setting general policy, adopting an annual plan and budget, monitoring the Trust's financial performance and educational outcomes, making senior staff appointments and approving major investment programmes.

The Academy Governance Committee operates within the powers given to it by the published 'Scheme of Delegation' and work with the Academy Leadership Team to ensure the efficient day to day operation of the Academy, in particular organising the teaching staff and focussing on the quality of outcomes and experiences for Children and Young People.

The Academy Governance Committees are made up of a mix of local people including staff and parents. They act as a 'critical friend' to the Principal and Academy, a 'sounding board' at a local level whose primary role is to review and assess the overall impact of the Academy amongst the people it exists to serve, as well as ensuring that the ethos of LIFE Academies Trust remains at the heart of the Academy community.

The comprehensive scheme of delegated authority laid down by the Trustees also defines the various limits of financial commitment which can be incurred at each level of authority. It also sets out how detailed financial management should be carried out across the Academy.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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

None of the Trustees receive any remuneration for their services.

The pay of key management personnel noted on page 3 (Leadership Group) is determined by a sub group of the Board. The levels of pay are determined based on an externally moderated job evaluation.

The pay of the Principal and Vice Principals and all other Teaching staff is based the STPCD, and therefore on the size the Academy. These salaries are based on a five-point range. A Trustees Pay Committee authorises any increments in this range, taking into account the appraisal process conducted by the CEO and assisted by the Chair of the Academy Governance Committee and an appropriately skilled external adviser.

There are no bonus arrangements for senior leaders.

**Related Parties and other Connected Charities and Organisations**

Across the town of Biggleswade there are 13 education establishments that form the Biggleswade Community Union of Schools (BCUS). All members of BCUS are committed to working closely together in order to ensure the best provision possible for all pupils within the town and surrounding villages of Biggleswade.

As part of this close working through BCUS the Academy responded positively to an approach for help from the town's maintained nursery school and children's centre in April 2014. Consequently, Biggleswade Academy and The Lawns Nursery School and Children's Centre developed a close partnership with shared Leadership and management until May 2016 when they merged together.

The Trust does not have a formal sponsor.

LIFE Academies Trust is a standalone charitable company, having no subsidiaries and not being a subsidiary of any other entity.

**Objectives and Activities**

**Objects and Aims**

The principal object and activity of the Charitable Company is the operation of its Constitutional Academies.

"... to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Schools ("the Academies") offering a broad and balanced curriculum."

**Objectives, Strategies and Activities**

The principal object and activity of the Charitable Company is to advance, for the public benefit, education in the United Kingdom. Our specific approach for doing this is best described through our Mission, Vision and Values which are as follows:

**Our Vision: Improving Lives through Inspirational Education.**

We believe in the power of inspiration to empower children, young people and their families to work harder, aim higher and achieve more. This desire to inspire is clearly ingrained in our day to day practice in every setting.

**Our Mission: Every Child, Every Day.**

Children are individuals, each with a different set of diverse needs, some of which may change from day to day. Our focus is on structuring provision that can really respond to these needs, adapting and changing as fast as the needs do.

We know this is a 'big ask' for our staff as it's an extremely high benchmark to set – but we employ great staff who believe this is possible and work tirelessly to achieve it.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Our Values: Learn, Innovate, Flourish, Excel.**

**Learn:**

**We are a learning organisation and high quality learning is at the centre of everything that we do; for our children, our families and ourselves.**

We will make a positive difference to the lives of all our children and young people by demonstrating integrity, honesty and respect to all people in all matters at all times, learning from our mistakes and constantly striving to deliver the very best.

Education isn't just about 'doing things right' - it's about 'doing the right thing for each and every one of our children and young people.

This may be through providing quality experiences inside and outside of the classroom, working closely with our families or local community members, focussing on wider educational areas such as mental health or engaging with wider agencies to support specific needs, our focus is always on making things better for our children and young people by acting on what we've learned to make improvements.

We fight for our children's welfare and well-being whatever their age, background or need.

**Innovate:**

**We will embrace innovation, in all areas, in order to help us improve. We will accept challenges that others may not in order to do this well.**

Staff in each of our settings fully embrace innovation and 'forward thinking' and will demonstrate this within their work. Whether dealing with curriculum approaches, innovative IT development, communication with stakeholders, managing financial accounts or offering support and advice across a wide range of areas. We know the world continues to change quickly and do our best to match this pace of change.

**Flourish:**

**We will always value academic and wider achievement for all children and young people at all ages, ensuring genuine breadth in their experiences.**

We know exams are important - but so is experiencing nature, learning to cook, performing on stage, reciting a poem, running a race, learning about mini-beasts and so much more... Our provision within each of our settings will always reflect the diversity needed to educate children holistically as well as academically - whatever their age.

**Excel:**

**We will continue to value ambition and aspiration highly and strive constantly for everyone involved to experience success, creating a desire for improvement and a 'growth mind set'.**

High expectations, a drive for success and a growth mind set underpin our work across the Trust and within each of our settings. This means we employ positive, pro-active staff who believe children can achieve whatever they set their minds to - no glass ceiling - just a desire for each and every child to do as well as they can.

**Public Benefit**

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The Trust's public benefit is enshrined in its charitable objectives, which state:

"...to promote for the benefit of the inhabitants of Biggleswade and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants."

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Strategic Report**

**Achievements and Performance**

LIFE Academies Trust was established in 2012 as Biggleswade Academy Trust and rebranded in September 2016 as part of an exercise to create greater capacity to continue to effectively lead our growing organisation.

During this period, the Trust has grown from a single 500 pupil Middle School to incorporate 4 previously separate schools, providing Education and care for approximately 1,200 children and young people for 51 weeks of the year.

LIFE Academies Trust is dedicated to providing inspirational educational experiences that ensure every child and young person has the opportunity to reach their full potential, whatever their background, ability or circumstances.

Of our 1,129 pupils (summer census 2017) 5% receive free school meals and 7% speak English as an additional language. Spring census 2017 recorded from a total of 1093 pupils 10% are from ethnic minorities.

Last year, educational performance improved at Key stage 1 and 2, ensuring that all key indicators were in line with, or above national averages. It is expected that further improvement will follow swiftly this year.

**Key Performance Indicators**

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

**End of Year Outcomes – Biggleswade Academy**

**Year 1 Phonics analysis**

The overall % of children achieving the required standard dropped by 7% compared to the previous 2 years, partly due to 8 children with specific special educational needs, who also made strong progress.

The gap between ever 6 and non-ever 6 this year was 34% compared with 42% last, a drop of 8%. 100% of EAL and the most deprived children also achieved the required standard.

**Key Stage 1 (Year 2) analysis**

Year 1 Phonics	Percentage at Ever 6	Working At Non Ever 6	Gap
2015 School	75	92	17
2015 National	66	80	14
2016 School	50	92	42
2016 National	70	83	13
2017 School	50	84	34
2017 National	-	-	-

2017 data shows a marked improvement on the previous year, with the previous gaps in 2015 and 2016 between Writing, Maths and Reading narrowing and almost being level.

This Year's data also shows the biggest areas of improvement were not just in those reaching 'expected' levels, but in those achieving 'greater depth'. The greatest increased % was in Writing with an increase of 23%.

**End of Key Stage 2 (Year 6) analysis**

After a well-understood dip in 2016 (due to new SATs and a particularly low-ability year group) attainment improved in 2017 and is back on-track to reach the results achieved in 2015.

Using the combined score for R, W and M we significantly increased this attainment measure in 2017 bringing it in line with national results and above the Local Authority figure of 57%.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Progress through Key Stage One to Key Stage Two**

Progress measures	Reading	Writing	Maths
BA cohort 2017	-0.6	1	-1.3

Progress for Reading is very close to being outstanding, whilst our Writing results are outstanding. Our Maths attainment is significantly up this year, but we are looking in further detail at progress across the key stage, putting in more rigorous assessment procedures to ensure progress is as effective as it could be at the transition point and earlier on in the year groups.

**Year 8 Exit analysis – attainment and progress**

This Year 8 cohort was the year group that achieved the School's highest ever KS2 SATs results July 2015, and these results for their Year 8 exit data demonstrate an incredibly high level of consistency as all the core subjects posted whole year combined scores between 92% and 96%. Data in all core subjects demonstrates that a higher number of children are achieving the national standard in Year 8, when compared to Year 6.

**Attendance 2016-17**

The overall attendance for the end of the Academic year was 96.01%, meeting our minimum expectation of 96%.

**The final financial KPIs for the period were as follows;**

Staff Costs to Income - 63%  
Government Funding to Total Income – 71%  
Cash Balances to Income - 20%  
Assets vs Liabilities – 694%  
All of the above KPI's were within the parameters set by the Board.

**Going Concern**

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

**Financial Review**

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2017 the Trust received £6,382,877 of GAG and other funding. £177,823 of funding comes from the Trust's trading activities. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £5,108,359 on general running costs. The carry forward for 16/17 is £8,387,479 restricted funding and £872,113 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £1,218,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

**Reserves Policy**

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget. The Trustees continually monitor projected year end reserve figures via the receipt of monthly management accounts. Regularly medium term financial projections are also prepared and monitored and the use of the future use of reserves considered.

The Trustee's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £872,113. The Trust's 'free' reserves are its funds after excluding restricted funds. 'Reserves' are therefore the resources the Trust has or can make available to spend for any or all of its purposes once it has met its commitments and covered its other planned expenditure. More specifically 'free reserves' represent income to the Trust which is to be spent at the Trustees' discretion in furtherance of any of its objects but which is not yet spent, committed or designated.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

August 2017 was £872,113.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £1,274,863. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow by reviewing a rolling 12 month cash flow forecast which is prepared monthly and included in the management accounts. There have been no causes for concern during the year.

**Funds in deficit**

The Trust's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Trust's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme and consequently the Balance Sheet shows a net liability of £1,218,000. However, the deficit does not mean that an immediate liability for this amount crystallises. The contribution rate to reduce the liability is calculated by an independent Actuary.

**Investment Policy**

The Trustees have an investment policy which permits monies surplus to working requirements to be invested in an account in the name of the Trust with approved institutions and for terms not exceeding 3 months. The Trust now has a healthy cash balance and so is now able to consider making some short-term investments.

**Principal Risks and Uncertainties**

The Trust works with a central electronic risk register identifying the major risks, to which the trust is exposed, and identifying actions and procedures to mitigate those risks. This system allows the detailed recording and monitoring of current risks, as well as giving historical information about changes made to the identified risks over time. This register is approved and monitored by the Trust Board who revisit specific risks at each Board meeting.

For the 2016-17 Academic year the principal risks and uncertainties identified and recorded on this register were as follows:

**Safeguarding:** Avoiding the potential for serious harm occurring to any child within our care is always a top priority for the Trust and is therefore and ongoing focus for our work. Death or serious injury, physical, emotional or sexual abuse, radicalization, grooming, escaping from our premises or other potential forms of harm all have to be effectively mitigated at all levels of the organisation and the Trustees take these responsibilities to be a significant ongoing priority.

In order to effectively mitigate these risks at all levels of operation a number of actions are taken:

- All Trust staff are safeguarding trained on an annual basis and comprehensive records are kept of this work.
- All new staff joining the Trust complete their safeguarding training as part of their induction process.
- All staff are required to read and understand the latest copy of the DFE published 'Keeping Children Safe in Education' guidance and sign to acknowledge the requirements and responsibilities contained within it. Records are kept of this work
- Recruitment processes are always led by a senior employee trained in 'Safer Recruitment' practices and a comprehensive recruitment process includes a rigorous analysis of employees previous employment, analyses any gaps in work history, requires 2 satisfactory references to be provided and a successful application for BNS clearance.
- The Trust facilities manager prioritises the Health and safety of all staff, children and visitors and ensures all Trust facilities meet all requirements in areas such as Site Security, Fire Safety, and Asbestos Control.
- A comprehensive Safeguarding audit is now a Trust requirement for all sites and this focuses on 12 key areas of safeguarding – ensuring a comprehensive plan is in place for each of them.
- The Board of Trustees and each Academy Governance committee are required to have a nominated member for safeguarding whose responsibility it is to work within their area of responsibility to challenge and quality assure the work taking place within this area. Such nominated people will either have safeguarding experience from their professional levels, or will have access to additional training in order to fulfil this role effectively.

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### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

- Policy and Procedure
- Leadership and Management – Designated Safeguarding Lead
- Training and Awareness
- Reporting and Record Keeping
- Educational Visits
- Single Central Record – Checks on staff and Volunteers
- Recruitment and Selection Procedures
- Extended services to Pupils and Hirers
- Security of the Site
- Risk assessments
- Attendance
- Pupils Behaviour, Emotional Health, Wellbeing and Curriculum.

This outcomes of this audit are then analysed by the Academy Governance Committee and their findings fed back to the Board of Trustees for verification and further action if necessary.

**Ensuring the ongoing Financial Sustainability of the Trust:** The Trust is in a positive financial position which is reflective of the successful manner of its operations in recent years.

However, ongoing sustainability within an increasingly challenging Education Funding landscape requires that the Trustees continue to take a long term view of sustainability and plan ahead in order to anticipate possible future risks and mitigate these in advance where possible.

This is done through careful analysis of a variety of internal and external data and research, and by ensuring all Trustees have an accurate picture of our financial position on a monthly basis. This then provides an accurate picture from which to extrapolate possible scenarios and plan to mitigate any risks contained within. This is a key feature of the work of Trustees and continues to be undertaken successfully, providing a solid foundation for the Trust's future development.

**Issues arising from an event which causes reputational risk:** Reputational risk is an ongoing area of concern for all organisations and we are no different. The potential damage to the faith our families have in us, our pupil numbers, future growth plans or other areas of operation could significantly effect our plans for ongoing success and therefore Trustees consider this area carefully.

In order to ensure the risks from a negative reputational occurrence are minimized Trustees operate a number of systems to ensure the effective monitoring of our organisation.

- All Trustees participate in an annual skills audit, ensuring that the skills set of the Trust board meets the requirements of our operations on an ongoing basis, allowing effective monitoring and challenge of all areas of our operation.
- The CEO operates a programme of challenge, support and monitoring with each School or setting, ensuring that the quality of education and care offered across the Trust is at least 'Good or Better' at all times. Where this is found not to be the case, rapid action is taken to ensure significant improvements are quickly seen.
- A comprehensive programme of induction, training and ongoing support is offered to all staff and those involved with Trust governance at any level, in order to ensure the skills set of all those involved with the delivery of our Vision, Mission and Values, have the skills, knowledge and experience to be able to successfully deliver their aims.
- The Trusts Mission, Vision and Values are firmly embedded into all areas of operation and are used to guide the actions taken by staff and Trustees at all levels. This provides a framework within which we can operate, secure in the knowledge that in meeting these aims, our actions will be helping us to 'Improve Lives through Inspirational Education' and therefore further mitigate potential reputational risks.

As an Academy, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

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**TRUSTEES' REPORT (continued)**  
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**Plans for Future Periods**

The Trust has 4 main areas of future focus:

- Establishing a secure baseline from which to grow further by:
  - Ensuring all systems and processes across the Trust's current operations are extremely well-embedded, flexible and highly responsive to current and future need.
  - Establishing the purpose, brand and reputation of the Trust within the locality through a structured programme of stakeholder communication and involvement.
- Developing and demonstrating the Trust to be a hub of innovation and good practice for the local area by:
  - Utilising the existing Challenge Partners local and regional network to full effect for the beneficial development of staff.
  - Working with the Local Authority, Local Schools and other relevant bodies to submit a Teaching Schools bid to the DFE during the next round of applications.
- Working closely with Central Bedfordshire Local Authority to ensure excellent educational provision is available through the Trust to meet the growing need for school places within Biggleswade.
- Fully utilising all opportunities to network with, learn from and co-develop plans and strategies for educational improvement and development with high quality local and national MAT providers- ensuring our practice reflects the very best available at all times.

**Funds held as Custodian Trustee on behalf of others**

The Trust does not hold such funds.

**Statement of disclosure to auditors**

In so far as the Trustees are aware:

- There is no relevant audit information of which the Charitable Company's Auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by the Board and signed on its behalf on 14 December 2017 by:

**Mr J Dilley**  
Chair of Trustees

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**GOVERNANCE STATEMENT**

**SCOPE OF RESPONSIBILITY**

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO, 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 LIFE Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 11 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
Mr J Dilley, Chair	11	11
Mr A Dean	11	11
Mr M Berman	10	11
Mr D Cooke	6	11
Ms A Galea	7	11
Mr S Phillips	11	11
Mr G Waghom	8	11
Miss C Woodhams	9	11

During the 2016-17 year there were no changes in personnel of the Board of Trustees providing stability and security for our operations.

The Board met monthly, ensuring a detailed review of the monthly management accounts was a central focus of every meeting. In addition, other key areas were also an ongoing focus:

- Safeguarding.
- Assessing risk.
- Refining the new 2016 staffing and governance structure.
- Establishing effective guidance and communication with and for the Academy Governance Committee (Local Governing Body).
- Monitoring the quality of outcomes at Early Years, KS1, KS2 and Y8.

In order to ensure it was carrying out its duties as effectively as possible during the first year of operations within our revised structure, Trustees also looked to self-assess the performance of the Board against a number of national benchmarks – using the NGA Competency Framework for Governors as the basis for this work.

As is the case for our risk management, the system used for Trustee's self-assessment is electronic one, allowing for the effective monitoring, evaluation and progress of Trustees skills sets over time and the appropriate addressing of any identified needs.

During this formative year the Board have been focused on ensuring the effectiveness of current operations in order to provide a firm platform for further growth. A comprehensive review has been undertaken by the Trust team of a number of operations and functions including HR (including an overhaul of Performance Management and Appraisal systems), Facilities Management (including a focus on Procurement, cost saving measures and sustainability), Finance and the structure of staffing and governance.

## LIFE ACADEMIES TRUST

(A Company Limited by Guarantee)

### GOVERNANCE STATEMENT (continued)

Significant progress has been made in all of these areas with operations becoming more effective, support and challenge for staff becoming much more targeted and with a clear consensus emerging about the nature of the work required to drive the next phase of the Trust's development. These changes have also allowed the quality of information being supplied to the Trust Board to improve, thereby making more incisive judgements about necessary actions. For example:

- The move from a paper based system of appraisal and performance management allows instant observation of the status of appraisals across the whole Trust or any of its component parts. This information is available to all leaders who require it and ensures that targets are set, monitored and completed accordingly. Where this is not the case it allows quick intervention to take place, remedying or addressing the issues concerned.
- The move from SIMS Finance to PS financials has given leaders at all levels access to pertinent information about their budgetary area 'in the palm of their hand' and with no need to go through the Finance Team to obtain it. This allows quicker and more informed decisions to be taken by leaders at all levels and frees up additional capacity within the Finance Team to develop other areas.

At Governance level, it has also allowed the more effective separation of Trust and School area budgets, allowing greater delegation, but sharper accountability measure to be put in place. The move has also allowed the refinement of financial practices within our Finance Manual as it is possible to have a greater degree of sophistication 'on the ground' across all levels of operation.

Examples of the impact of more effective facilities management are demonstrated below under 'Value for Money'.

#### **Governance reviews:**

As referred to within the Governance Statement, the Board of Trustees (and its delegated committees) undertook a comprehensive self-review based on the NGA governance competency audit. This process was completed individually on our cloud based Governance tool 'The Trust Governor' which automatically compiles the received responses and identifies the area of relative strength and weakness.

The areas within this review are as follows:

- How well do Trustees ensure clarity of vision, ethos and strategic direction (6 questions)?
- How well do Trustees contribute to the Trust's self-evaluation and understand its strengths and weaknesses, including the impact of their work (6 questions)?
- How well do Trustees support and strengthen Trust leadership, including their own skills (6 questions)?
- How well do Trustees provide challenge and hold the CEO and senior leaders to account for the quality of provision (5 questions)?
- How well do Trustees use performance management systems to improve outcomes, leadership and management (8 questions)?
- How well do Trustees ensure solvency and probity, ensuring that resources are managed effectively (7 questions)?
- How well do Trustees ensure statutory duties are met and approved (6 questions)?
- How well do Trustees use pupil premium and sports premium and other resources to overcome barriers to learning (3 questions)?
- Does the Trust Board have the right skills and is it as effective as it can be (5 questions)?

A review of this activity formed the basis of a session at the Trustees and Members away day held in July 2017 and demonstrated the following:

- The Trust Board is currently functioning well, meets its statutory obligations and has a balanced skills set across all major required areas.
- The Board has become more effective as the year has progressed and the Vision, Mission and Values of the Trust have become more explicit.
- The major area requiring greater focus for the Trust to move to the next stage of development relates to levels of engagement with key stakeholders and ensuring the Trust fully utilises its opportunities for the development of effective partnerships and community links.

As a result of the obvious benefits of carrying out such a review this process has been planned into the annual governance calendar for completion by all Trustees and members of Trust Board Committees on a yearly basis.

## LIFE ACADEMIES TRUST

(A Company Limited by Guarantee)

### GOVERNANCE STATEMENT (continued)

#### REVIEW OF VALUE FOR MONEY

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

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

Throughout each academic year the Accounting Officer considers whether the Trust's use of its resources is providing good value for money including the use of benchmarking data where appropriate and the 2016-17 year has been a particularly successful one for the Trust in terms of achieving value for money.

The creation of the Trust Central Team has allowed this to be a more specific focus within Trust staff roles and clear benefits have been seen.

Within facilities, clear benefits have been seen from aligning the purchasing and contractual arrangements of The Lawns Nursery with those of Biggleswade Academy, following its merger in May 2016. Significant saving have been made in areas such as:

- Telephone contracts
- Photocopier leases
- Printer paper purchasing
- Premises management
- General repairs and maintenance.

In addition, a focus on sustainability has seen:

- a significant reduction in electricity bills following the start of an implementation programme to convert all areas to low energy LED lighting and the effective renegotiation of previously separate energy contracts for different elements of the Trust.
- a reduction in gas costs, following the fitting of 'boiler wraps' on each of the Trusts multiple site boilers.
- a reduction in general energy costs as the result of effective building insulation works taking place.

Within HR, the appointment of an HR professional has seen more effective monitoring of staff absence, reducing levels of absence. A review of staff satisfaction and morale has also allowed the specific targeting of challenge and support where required and resulted in increased productivity within certain key areas. A new, sharper electronic appraisal system is allowing a more effective general management of staff across the Trust, which is further increasing the level of specificity possible for monitoring the quality of outcomes and outputs from staff.

Lastly, good use has been made of external resources no longer required by schools who are either closing or restructuring in other areas of the county allowing the reuse of large numbers of tables, chairs, learning resources and numerous other items which have prevented the need for Trust outlay.

This work has come during a period of ongoing growth for Biggleswade Academy, whose are still seeing the annual increase in numbers from their PAN increase 2 years ago. In addition, the growth of the Town of Biggleswade has resulted in higher numbers of Early Years pupils entering Biggleswade Academy Pre-School and The Lawns Nursery, resulting in higher income from both of these areas as well.

#### 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 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 LIFE Academies Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

## LIFE ACADEMIES TRUST

(A Company Limited by Guarantee)

### GOVERNANCE STATEMENT (continued)

#### CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the 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 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.

#### THE RISK AND CONTROL FRAMEWORK

The 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;
- planned monthly reviews by the Finance and Audit Committee have been routinely undertaken by the full Trust Board, demonstrating the importance placed on producing and examining 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; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint SBM Services (uk) Limited as Internal Auditor.

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

- a review of the processes relating to the letting of the school's facilities
- a review of debt collection procedures
- testing to ensure compliance with the Trust's procurement policy
- a review of bank reconciliation procedures
- a review of charge card controls
- a review of catering income collection procedures
- a review of the financial management of school trips
- a review of personnel files to ensure compliance with the statutory documentation that should be held
- a review of VAT reclaim procedures

Internal Auditor has delivered their schedule of work as planned.

#### REVIEW OF EFFECTIVENESS

As Accounting Officer, the CEO 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 Internal Auditor;
- the work of the external Auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the 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 Board of Trustees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by the Board of Trustees on 14 December 2017 and signed on their behalf, by:

**Mr J Dilley**  
Chair of Trustees

**Mr S Phillips**  
Accounting Officer

**LIFE ACADEMIES TRUST**

**(A Company Limited by Guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of LIFE Academies Trust I have considered my responsibility to notify the 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 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.

**Mr S Phillips**  
**Accounting Officer**

Date: 14 December 2017

## LIFE ACADEMIES TRUST

(A Company Limited by Guarantee)

### STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' 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 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 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by the Board of Trustees on 14 December 2017 and signed on its behalf by:

**Mr J Dilley, Chair**  
Chair of Trustees

**LIFE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LIFE  
ACADEMIES TRUST**

**OPINION**

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

This Report is made solely to the Academy's Trust'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 Academy Trust's Members, as a body, 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 Members, as a body, for our audit work, for this Report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources 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 the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

**BASIS OF OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our Report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the 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 Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the 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.

**LIFE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LIFE ACADEMIES TRUST**

**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, incorporating the Strategic Report and the Directors Report for which statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors 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 Trustees' remuneration specified by law 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, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**LIFE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LIFE  
ACADEMIES TRUST**

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

Gary Miller (Senior Statutory Auditor)  
for and on behalf of

**Price Bailey LLP**

Chartered Accountants  
Statutory Auditors

Causeway House  
1 Dane Street  
Bishop's Stortford  
Hertfordshire  
CM23 3BT  
18 December 2017

## **LIFE ACADEMIES TRUST**

**(A Company Limited by Guarantee)**

### **INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO LIFE ACADEMIES TRUST (PREVIOUSLY BIGGLESWADE ACADEMY TRUST) AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 26 June 2015 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 LIFE Academies Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **RESPECTIVE RESPONSIBILITIES OF LIFE ACADEMIES TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of LIFE Academies Trust's funding agreement with the Secretary of State for Education dated 1 March 2012, 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 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **APPROACH**

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

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the Academy Trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

**LIFE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO LIFE  
ACADEMIES TRUST (PREVIOUSLY BIGGLESWADE ACADEMY TRUST) AND THE EDUCATION FUNDING  
AGENCY (continued)**

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 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.

Reporting Accountant

**Price Bailey LLP**

Chartered Accountants

18 December 2017

**LIFE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	-	88,825	1,353,009	1,441,834	1,339,514
Charitable activities	3	268,861	4,493,607	-	4,762,468	4,382,671
Other trading activities	4	65,502	112,321	-	177,823	115,852
Investments	5	752	-	-	752	847
<b>TOTAL INCOME</b>		<u>335,115</u>	<u>4,694,753</u>	<u>1,353,009</u>	<u>6,382,877</u>	<u>5,838,884</u>
<b>EXPENDITURE ON:</b>						
Charitable activities		45,146	4,661,319	401,894	5,108,359	4,785,633
<b>TOTAL EXPENDITURE</b>	6	<u>45,146</u>	<u>4,661,319</u>	<u>401,894</u>	<u>5,108,359</u>	<u>4,785,633</u>
<b>NET INCOME BEFORE TRANSFERS</b>						
Transfers between funds	16	289,969	33,434	951,115	1,274,518	1,053,251
		-	(211,434)	211,434	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		289,969	(178,000)	1,162,549	1,274,518	1,053,251
Actuarial gains/(losses) on defined benefit pension schemes	21	-	408,000	-	408,000	(553,000)
<b>NET MOVEMENT IN FUNDS</b>		<u>289,969</u>	<u>230,000</u>	<u>1,162,549</u>	<u>1,682,518</u>	<u>500,251</u>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		582,144	(1,448,000)	8,442,930	7,577,074	7,076,823
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>872,113</u></u>	<u><u>(1,218,000)</u></u>	<u><u>9,605,479</u></u>	<u><u>9,259,592</u></u>	<u><u>7,577,074</u></u>

**LIFE ACADEMIES TRUST**

**(A Company Limited by Guarantee)  
REGISTERED NUMBER: 07928028**

**BALANCE SHEET  
AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	12		8,934,584		7,870,491
<b>CURRENT ASSETS</b>					
Debtors	13	609,958		925,845	
Cash at bank and in hand		1,274,863		712,375	
		<u>1,884,821</u>		<u>1,638,220</u>	
<b>CREDITORS: amounts falling due within one year</b>	14	(322,571)		(457,981)	
<b>NET CURRENT ASSETS</b>			<u>1,562,250</u>		<u>1,180,239</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>10,496,834</u>		<u>9,050,730</u>
<b>CREDITORS: amounts falling due after more than one year</b>	15		(19,242)		(25,656)
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>10,477,592</u>		<u>9,025,074</u>
Defined benefit pension scheme liability	21		(1,218,000)		(1,448,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>9,259,592</u></u>		<u><u>7,577,074</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds excluding pension liability		9,605,479		8,442,930	
Pension reserve		(1,218,000)		(1,448,000)	
Total restricted income funds			<u>8,387,479</u>		<u>6,994,930</u>
Unrestricted income funds	16		872,113		582,144
<b>TOTAL FUNDS</b>			<u><u>9,259,592</u></u>		<u><u>7,577,074</u></u>

The financial statements on pages 22 to 43 were approved by the Board, and authorised for issue, on 14 December 2017 and are signed on their behalf, by:

**Mr J Dilley**  
Chair of Trustees

**LIFE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	1,812,652	685,596
<b>Cash flows from investing activities:</b>			
Interest received		752	847
Purchase of tangible fixed assets		(1,250,916)	(707,060)
<b>Net cash used in investing activities</b>		<b>(1,250,164)</b>	<b>(706,213)</b>
<b>Change in cash and cash equivalents in the year</b>			
Cash and cash equivalents brought forward		562,488	(20,617)
<b>Cash and cash equivalents carried forward</b>	19	<b>1,274,863</b>	<b>712,375</b>

**LIFE ACADEMIES TRUST**  
**(A Company Limited by Guarantee)**

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

**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

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

LIFE Academies Trust constitutes a public benefit entity as defined by FRS 102.

The Trust's functional and presentational currency is Pounds Sterling.

**1.2 Company status**

The Trust is a company limited by guarantee, incorporated in England in the United Kingdom. The Members of the Company are named on page 1. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the Academy. The Trust's registered office is shown on the Reference and Administration details page.

**1.3 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 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

**1.4 Income**

All income is recognised once the 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 incorporating Income and Expenditure Account 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 incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations are recognised on a receivable basis where receipt is probable 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.

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

**1. ACCOUNTING POLICIES (continued)**

**1.5 Expenditure**

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

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

All expenditure is inclusive of irrecoverable VAT.

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

L/Term Leasehold Property	-	2% straight line
Motor vehicles	-	20% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	33% straight line
Assets under construction	-	not depreciated until asset brought into use

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

**1.7 Debtors**

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

**1.8 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.

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

**1. ACCOUNTING POLICIES (continued)**

**1.9 Liabilities and provisions**

Liabilities and provisions 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 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.

**1.10 Pensions**

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 21, 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 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 incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**1.11 Operating leases**

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

**1.12 Taxation**

The 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 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.

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

**1. ACCOUNTING POLICIES (continued)**

**1.13 Fund accounting**

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

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

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

**1.14 Financial instruments**

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

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

Cash at bank and in hand - is classified as a basic financial instrument and is measured at fair value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.15 Critical accounting estimates and areas of judgment**

Estimates and judgments 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 Trustees make 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 21, 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 18 January 2017 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.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	88,825	-	88,825	91,092
Capital grants	-	1,353,009	1,353,009	1,248,422
	<u>88,825</u>	<u>1,353,009</u>	<u>1,441,834</u>	<u>1,339,514</u>
<i>Total 2016</i>	<u>91,092</u>	<u>1,248,422</u>	<u>1,339,514</u>	

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	3,075,582	3,075,582	3,074,477
Other DfE / ESFA grants	-	332,957	332,957	278,623
	<u>-</u>	<u>3,408,539</u>	<u>3,408,539</u>	<u>3,353,100</u>
<b>Other government grants</b>				
Local Authority grants	-	1,085,068	1,085,068	761,836
	<u>-</u>	<u>1,085,068</u>	<u>1,085,068</u>	<u>761,836</u>
<b>Other funding</b>				
Catering income	114,662	-	114,662	110,252
DEN and nursery income	154,199	-	154,199	157,483
	<u>268,861</u>	<u>-</u>	<u>268,861</u>	<u>267,735</u>
	<u>268,861</u>	<u>4,493,607</u>	<u>4,762,468</u>	<u>4,382,671</u>
<i>Total 2016</i>	<u>504,417</u>	<u>3,878,254</u>	<u>4,382,671</u>	

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of facilities	50,735	50,735	48,489
Other income	14,937	127,258	45,752
Staff services consultancy	(170)	(170)	21,611
	<u>65,502</u>	<u>177,823</u>	<u>115,852</u>
<i>Total 2016</i>	<u><u>115,852</u></u>	<u><u>115,852</u></u>	

**5. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	752	752	847
	<u>752</u>	<u>752</u>	<u>847</u>
<i>Total 2016</i>	<u><u>847</u></u>	<u><u>847</u></u>	

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**6. EXPENDITURE**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Provision of Education:					
Direct costs	3,171,453	-	175,923	3,347,376	3,117,099
Support costs	856,953	277,878	626,152	1,760,983	1,668,534
	<u>4,028,406</u>	<u>277,878</u>	<u>802,075</u>	<u>5,108,359</u>	<u>4,785,633</u>
<i>Total 2016</i>	<u>3,450,175</u>	<u>606,427</u>	<u>729,031</u>	<u>4,785,633</u>	

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

**7. CHARITABLE ACTIVITIES**

	2017	2016
	£	£
Direct costs	3,347,376	3,117,099
Support costs	1,760,983	1,315,897
	<hr/>	<hr/>
Total	5,108,359	4,432,996
	<hr/> <hr/>	<hr/> <hr/>

Analysis of support costs

	2017	2016
	£	£
Support staff costs	856,953	566,774
Depreciation	164,248	165,124
Technology costs	132,671	79,224
Premises costs	277,878	606,427
Other support costs	308,641	232,748
Governance costs	20,592	18,237
	<hr/>	<hr/>
Total	1,760,983	1,668,534
	<hr/> <hr/>	<hr/> <hr/>

**8. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets:		
- owned or leased by the Trust	186,823	186,527
Auditors' remuneration - audit	7,500	9,000
Auditors' remuneration - other services	4,850	2,500
	<hr/>	<hr/>
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**9. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	3,079,214	2,716,441
Social security costs	241,735	193,403
Operating costs of defined benefit pension schemes	696,186	500,424
	<u>4,017,135</u>	<u>3,410,268</u>
Apprenticeship levy	207	-
Staff restructuring costs	-	39,907
Agency supply - teaching	11,064	-
	<u>4,028,406</u>	<u>3,450,175</u>

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

	2017 No.	2016 No.
Teachers	42	40
Management	6	6
Administration and support	154	134
	<u>202</u>	<u>180</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	37	41
Management	6	6
Administration and support	84	65
	<u>127</u>	<u>112</u>

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

	2017 No.	2016 No.
In the band £ 60,001 - £ 70,000	0	1
In the band £ 70,001 - £ 80,000	1	0
In the band £100,001 - £110,000	0	1
In the band £110,001 - £120,000	1	0

The employees above participated in the Teacher's Pension Scheme.

The key management personnel of the Trust comprise the Trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer NI) received by key management personnel for their services to the Trust was £504,904 (2016: £527,504).

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

**10. TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and 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:

		2017 £	2016 £
S Phillips	Remuneration	110,000-115,000	105,000-110,000
	Pension contributions paid	15,000-20,000	15,000-20,000
E Wyatt	Remuneration	0-5,000	35,000-40,000
	Pension contributions paid	0-5,000	0-5,000
J Bull	Remuneration	0-5,000	10,000-15,000
	Pension contributions paid	0-5,000	0-5,000
Shelley Flynn	Remuneration	0-5,000	40,000-45,000
	Pension contributions paid	0-5,000	5,000-10,000

During the year ended 31 August 2017, expenses totalling £3,668 (2016 - £NIL) were reimbursed to 1 Trustee (2016 - NIL).

**11. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was included in the total insurance cost.

**12. TANGIBLE FIXED ASSETS**

	Long term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Assets under construction £	Total £
<b>Cost</b>						
At 1 September 2016	8,287,715	6,250	114,891	174,112	25,090	8,608,058
Additions	63,497	-	21,120	74,225	1,092,074	1,250,916
At 31 August 2017	<u>8,351,212</u>	<u>6,250</u>	<u>136,011</u>	<u>248,337</u>	<u>1,117,164</u>	<u>9,858,974</u>
<b>Depreciation</b>						
At 1 September 2016	509,364	3,750	72,348	152,105	-	737,567
Charge for the year	138,850	1,250	22,575	24,148	-	186,823
At 31 August 2017	<u>648,214</u>	<u>5,000</u>	<u>94,923</u>	<u>176,253</u>	<u>-</u>	<u>924,390</u>
<b>Net book value</b>						
At 31 August 2017	<u>7,702,998</u>	<u>1,250</u>	<u>41,088</u>	<u>72,084</u>	<u>1,117,164</u>	<u>8,934,584</u>
At 31 August 2016	<u>7,778,351</u>	<u>2,500</u>	<u>42,543</u>	<u>22,007</u>	<u>25,090</u>	<u>7,870,491</u>

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

**13. DEBTORS**

	2017 £	2016 £
Trade debtors	8,313	170,312
VAT recoverable	221,739	97,975
Other debtors	352,913	615,315
Prepayments and accrued income	26,993	42,243
	<u>609,958</u>	<u>925,845</u>

**14. CREDITORS: Amounts falling due within one year**

	2017 £	2016 £
Salix loan	6,413	6,414
Trade creditors	25,993	11,094
Other taxation and social security	51,981	57,710
Other creditors	63,115	59,307
Accruals and deferred income	175,069	323,456
	<u>322,571</u>	<u>457,981</u>

	2017 £	2016 £
<b>Deferred income</b>		
Deferred income at 1 September 2016	148,888	67,680
Resources deferred during the year	92,865	148,888
Amounts released from previous years	(148,888)	(67,680)
	<u>92,865</u>	<u>148,888</u>

During the year ended 31 August 2017 the majority of deferred income related to the rates funding, UFISM and lettings income.

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

	2017 £	2016 £
Salix loan	<u>19,242</u>	<u>25,656</u>

The total amount outstanding on the Salix loan is £25,655 (2016 - £32,070). The loan is repayable in instalments every 6 months and bears no interest.

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

**16. STATEMENT OF FUNDS**

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>						
General funds	582,144	335,115	(45,146)	-	-	872,113
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	3,075,582	(2,864,148)	(211,434)	-	-
Pupil premium	-	172,085	(172,085)	-	-	-
SEN funding	-	221,747	(221,747)	-	-	-
Other Government grants	-	272,035	(272,035)	-	-	-
Other DfE and EFA	-	172,035	(172,035)	-	-	-
Trips donations	-	82,464	(82,464)	-	-	-
Early years funding	-	580,123	(580,123)	-	-	-
Other restricted funds	-	118,682	(118,682)	-	-	-
Pension reserve	(1,448,000)	-	(178,000)	-	408,000	(1,218,000)
	(1,448,000)	4,694,753	(4,661,319)	(211,434)	408,000	(1,218,000)
<b>Restricted fixed asset funds</b>						
Restricted fixed asset funds	7,870,491	-	(186,823)	1,250,916	-	8,934,584
DFC	-	16,014	-	(16,014)	-	-
CIF	49,840	384,498	(45,682)	-	-	388,656
Local Authority	522,599	952,497	(169,389)	(1,023,468)	-	282,239
	8,442,930	1,353,009	(401,894)	211,434	-	9,605,479
Total restricted funds	6,994,930	6,047,762	(5,063,213)	-	408,000	8,387,479
Total of funds	7,577,074	6,382,877	(5,108,359)	-	408,000	9,259,592

**STATEMENT OF FUNDS - PRIOR YEAR**

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2016 £
<b>Unrestricted funds</b>						
General funds	80,529	621,116	(119,501)	-	-	582,144
	80,529	621,116	(119,501)	-	-	582,144

**LIFE ACADEMIES TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**16. STATEMENT OF FUNDS (continued)**

**Restricted funds**

General Annual Grant (GAG)	53,052	3,074,477	(3,120,376)	(7,153)	-	-
Pupil premium	-	166,283	(166,283)	-	-	-
SEN funding	-	175,172	(175,172)	-	-	-
Other Government grants	-	112,518	(112,518)	-	-	-
Other DfE and EFSA	-	120,823	(120,823)	-	-	-
Trips donations	-	84,600	(84,600)	-	-	-
Early years funding	-	228,981	(228,981)	-	-	-
	-	6,492	(6,492)	-	-	-
Pension reserve	(833,000)	-	(62,000)	-	(553,000)	(1,448,000)
	<u>(779,948)</u>	<u>3,969,346</u>	<u>(4,077,245)</u>	<u>(7,153)</u>	<u>(553,000)</u>	<u>(1,448,000)</u>

**Restricted fixed asset funds**

Restricted fixed asset funds	7,349,957	-	(186,526)	707,060	-	7,870,491
DFC	-	14,947	-	(14,947)	-	-
Capital income	426,285	1,233,475	(402,361)	(684,960)	-	572,439
	<u>7,776,242</u>	<u>1,248,422</u>	<u>(588,887)</u>	<u>7,153</u>	<u>-</u>	<u>8,442,930</u>
Total restricted funds	<u>6,996,294</u>	<u>5,217,768</u>	<u>(4,666,132)</u>	<u>-</u>	<u>(553,000)</u>	<u>6,994,930</u>
Total of funds	<u>7,076,823</u>	<u>5,838,884</u>	<u>(4,785,633)</u>	<u>-</u>	<u>(553,000)</u>	<u>7,577,074</u>

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

**General Annual Grant (GAG)**

This represents funding from the EFA to cover the costs of recurrent expenditure.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

**Pupil premium**

This funding is to be used to raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

**Special educational needs (SEN)**

This represents allocated funding for special educational needs pupils.

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

**Other Government grants**

This represents various small grants from local and national government bodies for the provision of specific services to pupils of the Academy.

**Other DfE and EFSA**

This represents funding received from the DfE/EFSA which is restricted in nature.

**Trip donations**

This represents contributions made by parents to the running of educational visits for the pupils of the Academy and the associated costs of running the trips.

**Early years funding**

This represents funding from the EFA to provides funding for all 3 and 4-year-old children to attend early years.

**Pension reserve**

This fund represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the Trust on conversion from a state controlled school.

**Restricted fixed assets fund**

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

**Devolved formula capital (DFC)**

The Trust is to use the DFC allocation to maintain and improve its buildings and facilities.

**Capital Income**

This represents grants received or receivable for building improvements.

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**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	8,934,584	8,934,584
Current assets	1,213,926	-	670,895	1,884,821
Creditors due within one year	(322,571)	-	-	(322,571)
Creditors due in more than one year	(19,242)	-	-	(19,242)
Provisions for liabilities and charges	-	(1,218,000)	-	(1,218,000)
	<u>872,113</u>	<u>(1,218,000)</u>	<u>9,605,479</u>	<u>9,259,592</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	7,870,491	7,870,491
Current assets	1,065,781	-	572,439	1,638,220
Creditors due within one year	(457,981)	-	-	(457,981)
Creditors due in more than one year	(25,656)	-	-	(25,656)
Provisions for liabilities and charges	-	(1,448,000)	-	(1,448,000)
	<u>582,144</u>	<u>(1,448,000)</u>	<u>8,442,930</u>	<u>7,577,074</u>

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

	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	1,274,518	1,053,251
<b>Adjustment for:</b>		
Depreciation charges	186,823	186,527
Dividends, interest and rents from investments	(752)	(847)
Decrease/(increase) in debtors	315,887	(820,084)
(Decrease)/increase in creditors	(141,824)	204,749
Pension adjustments	178,000	62,000
<b>Net cash provided by operating activities</b>	<u>1,812,652</u>	<u>685,596</u>

**19. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2017 £	2016 £
Cash in hand	1,274,863	712,375
<b>Total</b>	<u>1,274,863</u>	<u>712,375</u>

## LIFE ACADEMIES TRUST

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

#### 20. 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 £10 for the debts and liabilities contracted before he/she ceases to be a Member.

#### 21. PENSION COMMITMENTS

The Trust'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 latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 18 January 2017.

Contributions amounting to £63,115 were payable to the schemes at 31 August 2017 (2016 - 59,307) and are included within creditors.

##### Teachers' Pension Scheme

###### Introduction

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

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

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

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

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

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

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**21. PENSION COMMITMENTS (continued)**

The employer's pension costs paid to TPS in the period amounted to £258,001 (2016 - £249,321).

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 £355,786 (2016 - £274,000), of which employer's contributions totalled £290,124 (2016 - £223,000) and employees' contributions totalled £65,662 (2016 - £51,000). The agreed contribution rates for future years are 24.6% for employers and between 5.5% - 12.5% for employees.

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

Principal actuarial assumptions at 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	2.40 %	2.10 %

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

	2017	2016
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

<b>Sensitivity analysis</b>	At 31 August 2017 £	At 31 August 2016 £
Discount rate +0.1%	3,812,236	3,249,894
Discount rate -0.1%	4,015,764	3,396,106
Mortality assumption - 1 year increase	3,921,828	3,342,938
Mortality assumption - 1 year decrease	3,906,172	3,303,062
CPI rate +0.1%	4,000,108	3,369,522
CPI rate -0.1%	3,827,892	3,276,478

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**21. PENSION COMMITMENTS (continued)**

The Trust's share of the assets in the scheme was:

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,536,000	1,444,000
Debt instruments	404,000	188,000
Corporate bonds	-	-
Property	243,000	188,000
Cash and other liquid assets	511,000	55,000
	<u>2,694,000</u>	<u>1,930,000</u>

The actual return on scheme assets was £466,000 (2016 - £252,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2017 £	2016 £
Current service cost	(437,000)	(254,000)
Interest income	41,000	55,000
Interest cost	(71,000)	(86,000)
	<u>(467,000)</u>	<u>(285,000)</u>
Actual return on scheme assets	<u>466,000</u>	<u>252,000</u>

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

	2017 £	2016 £
Opening defined benefit obligation	3,323,000	2,182,000
Current service cost	437,000	254,000
Interest cost	71,000	86,000
Employee contributions	66,000	51,000
Actuarial losses	17,000	750,000
	<u>3,914,000</u>	<u>3,323,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	1,875,000	1,349,000
Interest income	55,000	55,000
Actuarial losses	425,000	197,000
Employer contributions	289,000	223,000
Employee contributions	66,000	51,000
	<u>2,710,000</u>	<u>1,875,000</u>

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**22. OPERATING LEASE COMMITMENTS**

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

	2017 £	2016 £
<b>Amounts payable:</b>		
Within 1 year	3,328	3,226
Between 1 and 5 years	3,912	1,144
Total	<u>7,240</u>	<u>4,370</u>

**23. RELATED PARTY TRANSACTIONS**

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 10.