

Company Registration No. 07561574 (England and Wales)

BENFLEET SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2016

BENFLEET SCHOOLS TRUST

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BENFLEET SCHOOLS TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

S Dignasse
J Fryer
P Hillman (Member, Chair) *
K Kerridge (Head Teacher) *
R Nolan Appointed 21/03/2016
C Purdy
T Reynolds (Member)

Members

K Cooper Resigned 24/12/2015
S Edmondson Resigned 31/08/2016
M Hillman
P Hillman
T Reynolds

Senior management team

K Kerridge- Head Teacher
A Clarke - Deputy Head Teacher
S Cox - Deputy Head Teacher
A Cruse - Assistant Head Teacher
J Gill - Assistant Head Teacher
J Banks - Assistant Head Teacher
S Mooney - Assistant Head Teacher
A Hawes - Assistant Head Teacher until 31/12/2015
S Bramwell – Assistant Head Teacher from 01/01/2016
G Farrance - Business Manager

Company Secretary

A Wright

Company registration number

07561574 (England and Wales)

Registered office

Croft Road
Benfleet
Essex
SS7 5RN
United Kingdom

Independent auditor

Baxter & Co
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Bankers

Barclays Bank PLC
63/65 High Street
Rayleigh
SS6 7AJ

Solicitors

Eversheds LLP
One Wood Street
London EC2V 7WS

BENFLEET SCHOOLS TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Statement of Recommended Practice 2015, "Accounting and Reporting by Charities", and the Academies' Accounts Direction 2015/16 issued by the EFA

The principal activity of the company is the operation of a state-funded Academy, The Appleton School, providing a state education for students aged 11 to 18 with a specialism in Business and Enterprise. It has a pupil roll of 1409 in the school census dated 19th May 2016.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Benfleet Schools Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

The company operates as "The Appleton School".

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

The Trust has not given any indemnities in respect of trustees.

Method of recruitment and appointment or election of directors

In accordance with the articles, the directors of the charitable company are the trustees. They are appointed as follows;

- a) Up to eight directors appointed by the Members;
- b) Minimum of two parent directors elected by parents; unless there are Local Governing Bodies which include at least two Parent Members;
- c) The Chief Executive Officer;
- d) Up to three Co-opted directors appointed by the Directors;
- e) Further directors may be appointed by the Secretary of State.

In respect of those appointed by the Members, ((a), above) when a vacancy arises, the Members seek to make an appointment that would maximise the relevant skills and experience on the board as a whole.

Policies and procedures adopted for the induction and training of directors (trustees)

The training and induction provided for new trustees will depend on their existing experience. Where necessary, induction will provide training in charity, educational, legal and financial matters. All trustees are provided with the information needed (including policies, minutes, budgets, etc) to undertake their role as directors. The Trust also purchases the Governor Training run by the local authority for members of the local governing body as required.

BENFLEET SCHOOLS TRUST TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Organisational structure

The Benfleet Schools Trust is a Multi Academy Trust. It operates with a Board of Directors of the Multi Academy Trust and a local governing body for The Appleton School. The directors of Benfleet Schools Trust are responsible for the strategic direction of the school, appointment of the local governing body and senior management of the school. They have delegated all other responsibilities to the local governing body. To enable them to carry out these duties the directors meet at least four times a year to consider the strategic priorities of the Trust. The local governing body meets at least three times a year and has two committees.

- Standards, Staffing and Curriculum
- Finance, Estates and General Purposes

Both committees are formally constituted with terms of reference and comprise appropriately qualified and experienced members.

Day to day management of the company is undertaken by the Head Teacher supported by the Leadership Team. The Head Teacher is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The arrangements for setting the pay and remuneration of the key personnel are as follows:
Headteacher of The Appleton School salary is set by the Benfleet Schools Trust at Board level.
Company Secretary of Benfleet Schools Trust salary is set by the Benfleet Schools Trust at Board level.
All other key personnel have salaries approved and set by the local governing body pay committee.

Related Parties and other Connected Charities and Organisations

Benfleet Schools Trust is a sponsor and member of Takely Education Trust which operates the state funded academy known as Woodlands School.

Objectives and activities

Objects and aims

The principal object of the company is the advancement of education in the United Kingdom. It achieves this object principally through the operation of The Appleton School, the aim being to provide the highest possible standard of education and pastoral care, maximising the life-chances of its students.

Objectives, strategies and activities

The principal object of the company is to advance for the public benefit, education in the United Kingdom. It achieves this object through the operation of The Appleton School, providing a state education, free of charge, to pupils aged 11 to 18.

Public benefit

In setting the objectives and planning the associated activities, trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Strategic report

Achievements and performance

The school was judged to be outstanding by Ofsted in 2010 and 2013. Since then examination results have continued to rise. The school now has one of the highest value added scores in the county and one of the highest attainment scores.

In terms of public speaking one student reached the national final.

In terms of the National Business Challenge for Schools the school was runner up.

There are also many enrichment opportunities at The Appleton School including trips to France, Germany, Austria, Hong Kong, China and America.

BENFLEET SCHOOLS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Key Financial Performance Indicators

No key financial performance indicators have been set by the directors, beyond the requirement that the financial position should remain sufficient to fund future needs. The principal performance measures are non-financial; these are largely educational and pastoral.

Other Key Performance Indicators

The Appleton School is outstanding. In 2016 77% achieved A*-C grades in English and Maths. 98% of students gained 5GCSE's.

Going concern

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

Financial review

We receive our income from a number of different sources. The majority of our income comes from central government via the Education Funding Agency who provide us with grant, based largely on our student numbers to cover our staffing and other general running costs (General Annual Grant -GAG). The EFA may provide us with additional grants which are earmarked for specific purposes (such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils). These appear in the accounts as DfE/EFA grants. Where we receive grant or other funding from the Local Authority (such as where we undertake responsibilities on their behalf in respect of our students) this appears in the accounts as Other government grants. Such income is collectively referred to as "Restricted Funds". Other income is received from parents (for example as contributions to trip or other costs) and from third parties (for example from our bank for interest on our account balances or from others who are charged for their use of our facilities). Such other income may be restricted or unrestricted, depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the trustees.

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending. Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of trustees ("Unrestricted Funds") and those which are subject to condition or restriction, ("Restricted Funds").

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are therefore included as assets in the accounts but clearly, we cannot spend this value. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in our accounts and as this is not a conventional liability, it does not need to be deducted from spendable funds. We meet our obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries. The following balances held were held at 31 August;

Fund	Category	2016 £'000	2015 £'000
GAG	Restricted General Funds	-	105
Other DfE/EFA Grants	Restricted General Funds	370	280
Other Government Grants	Restricted General Funds	105	246
Other Income	Restricted General Funds	<u>209</u>	<u>289</u>
Sub-total General Restricted Funds		684	920
Unspent Capital Grants	Restricted Fixed Asset Fund	235	126
Other Income	Unrestricted General Fund	<u>222</u>	<u>239</u>
	Sub-Total	1,141	1,285
	Spendable Funds		
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	13,869	14,152
Share of LGPS Deficit	Restricted Pension Reserve	<u>(3,126)</u>	<u>(1,902)</u>
	Total	<u>11,884</u>	<u>13,535</u>
	All Funds		

Reserves policy

BENFLEET SCHOOLS TRUST TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Reserve levels are regularly monitored by Directors and Management to ensure that sufficient reserves are maintained to meet anticipated future needs while avoiding long term accumulation of excessive sums.

Investment Policy

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

Principal Risks and Uncertainties

The Directors have assessed the major risks to which the Academy is exposed, in particular those relating to academic performance/finances/child welfare. The Directors have implemented a number of systems to assess risks that the Academy faces, and have developed policies and procedures to mitigate those risks. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The risk management process has been codified in a risk register implemented by the Leadership Team and overseen by Directors. The major risks to which the academy trust is exposed are:

- Closure due to fall in student numbers
- Closure due to examination outcomes
- The academy falling into financial deficit
- Child protection failings

Procedures to mitigate these risks:

- Academy heavily oversubscribed in 2015 and 2016 with over 805 and 845 students respectively applying for 270 places, Open Evenings are advertised in local papers and at Primary Schools.
- Examination outcomes and risks closely monitored by the Leadership Team, Trustees and external reviewers. Students are tracked closely to ensure that they make satisfactory progress.
- Regular monitoring of income and expenditure is undertaken by the Leadership Team and is reported to and overseen by the Finance, Estates and General Purposes committee.
- Regular risk assessments for trips, all staff subject to DBS checks, visitors are accompanied while on-site if not DBS checked and regular training is provided to staff on child protection issues.

Other Financial Risks

As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and "trade" creditors), trustees consider the associated risk in this area to be minimal.

The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuary's advice.

Plans for Future Periods

- Governors wish to move to a PAN of 300 but this requires a capital build
- Permission has been granted by the Education Funding Agency to increase to 300 PAN but we are unable to do so without a capital bid
- Capital bid to be resubmitted in December 2016 to increase the number of general teaching spaces in the school.
- Lagged impact of funding to be considered in budget planning.

Funds Held as Custodian Trustee on Behalf of Others

The Academy is the "banker school" holding funds on behalf of the Benfleet Teaching School Alliance. At 31 August 2016 £112k remains unspent and is held within deferred income.

Auditor

**BENFLEET SCHOOLS TRUST
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2016

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.

Approved by order of the board of trustees on 12th December 2016 and signed on its behalf by:



.....
P Hillman
Chair

BENFLEET SCHOOLS TRUST GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Benfleet Schools 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 K Kerridge, the Head Teacher, as Accounting Officer (AO), 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 Benfleet Schools Trust and the Secretary of State for Education. The AO is 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 four times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
S Dignasse	3	4
J Fryer	4	4
P Hillman (Member, Chair)	4	4
K Kerridge (Head Teacher)	4	4
R Nolan	2	2
C Purdy	3	4
T Reynolds (Member)	2	4

A Multi Academy Trust was established in February 2015 and became operational in April 2015. At Trust level the members include a recently retired head teacher to advise on educational matters and a chartered accountant to strengthen the financial oversight at trust level.

Governance reviews:

- A review of Governors at local level has also taken place facilitated by the stepping down of two long serving governors. The school has now successfully appointed a governor with extensive Human Resource experience.

The Finance, Estates and General Purposes Committee is a sub-committee of the Local Governing Body of The Appleton School to which the main board of trustees has delegated responsibility. Its purpose is:

- Regular monitoring of actual income and expenditure
- Review and recommendation of the annual budget
- Review the reports of the auditors on the effectiveness of the financial procedures and controls

Attendance at meetings of the Finance, Estates and General Purposes Committee during the year was as follows:

	Meetings attended	Out of possible
S Edmondson (Chair of Committee)	1	3
L Hansen	0	3
P Hillman	3	3
M Jones	2	3
K Kerridge	3	3
M Scott	3	3
G Webb	2	3

BENFLEET SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Review of Value for Money

As accounting officer the headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- The School has been judged as outstanding by OFSTED in its last two inspections thereby giving excellent value for money. In 2015 the school's GCSE results were particularly strong, increasing 8% on the previous year. In 2015 the results improved by a further 7% making the school the highest performing in the local area and one of the highest performing in Essex. The school's results place the school as either first or second on all examination indicators when comparing it with similar schools across the country.

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 on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Benfleet Schools Trust for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts.

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 period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts. 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;
- regular reviews by the finance, estates and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has appointed Baxter & Co to conduct a programme of internal assurance work. On a termly basis, Baxter & Co report to the Trustees on the operation of the systems of control and compliance. Checks carried out included:

- Testing of payroll systems
- Testing of purchases system
- Testing of control account/bank reconciliations
- Testing of compliance with some of the key regularity requirements within the EFA's Academies Financial Handbook

BENFLEET SCHOOLS TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The Governing Body are satisfied that the RO function has been fully delivered in line with the Education Funding Agency's requirements. No material control issues have been notified to the Governors as a result of the RO's work.

Review of effectiveness

As accounting officer, the Head Teacher 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 responsible officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Estates and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 12th December 2016 and signed on its behalf by:



**P Hillman
Chair**



**K Kerridge
Head Teacher & Accounting Officer**

BENFLEET SCHOOLS TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2016

As Accounting Officer of Benfleet Schools Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Academy Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2015.

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



K Kerridge
Accounting Officer

12 December 2016

BENFLEET SCHOOLS TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who also act as Governors for Benfleet Schools Trust and are also the Directors of Benfleet Schools Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with the Annual Accounts Direction published by the Education Funding Agency (EFA), 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 in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the Board of Trustees on 12 December 2016 and signed on its behalf by:



P Hillman

Member, Chair

BENFLEET SCHOOLS TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BENFLEET SCHOOLS TRUST

We have audited the Financial Statements of Benfleet Schools Trust for the year ended 31 August 2016 set out on pages 16 to 37. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of Trustees and Auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 11, the Trustees, who are also the Directors of Benfleet Schools Trust for the purposes of company law, are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

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

Opinion on Financial Statements

In our opinion the Financial Statements:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report including the incorporated Strategic Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

BENFLEET SCHOOLS TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BENFLEET SCHOOLS TRUST (CONTINUED)

Matters on which we are required to report by exception

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

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



David John Walsh FCCA (Senior Statutory Auditor)

For and on behalf of Baxter & Co

Statutory Auditor

Chartered Certified Accountants

Lynwood House

Crofton Road

Orpington

Kent

BR6 8QE

Dated: 15. December 2016

BENFLEET SCHOOLS TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BENFLEET SCHOOLS TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 1 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Benfleet Schools Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Benfleet Schools Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Benfleet Schools Trust's funding agreement with the Secretary of State for Education dated 1 April 2011 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the programme of risk review and checking of financial controls implemented by the trust in order to comply with its obligations under 2.4.7 of the Academies Financial Handbook 2015, issued by the EFA.

BENFLEET SCHOOLS TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BENFLEET SCHOOLS TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Baxter & Co
Independent Reporting Accountants
Chartered Certified Accountants
Lynwood House
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Kent
BR6 8QE

Dated: 15 December 2016

BENFLEET SCHOOLS TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2016 £'000	Total 2015 £'000
Income and endowments from:						(see over)
Donations and capital grants	2	31	-	361	392	2,900
Charitable activities:						
- Funding for educational operations	3	2	7,671	-	7,673	7,551
Other trading activities	4	52	44	-	96	125
Investments	5	8	-	-	8	7
Total income and endowments		<u>93</u>	<u>7,715</u>	<u>361</u>	<u>8,169</u>	<u>10,583</u>
Expenditure on:						
Raising funds	6	11	58	-	69	13
Charitable activities:						
- Educational operations	7	99	7,990	563	8,652	8,607
Total expenditure	6	<u>110</u>	<u>8,048</u>	<u>563</u>	<u>8,721</u>	<u>8,620</u>
Net income/(expenditure)		(17)	(333)	(202)	(552)	1,963
Transfers between funds		-	(28)	28	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	(1,099)	-	(1,099)	63
Net movement in funds		(17)	(1,460)	(174)	(1,651)	2,026
Reconciliation of funds						
Total funds brought forward		239	(982)	14,278	13,535	11,509
Total funds carried forward		<u>222</u>	<u>(2,442)</u>	<u>14,104</u>	<u>11,884</u>	<u>13,535</u>

The comparative figures for 2015 are analysed according to fund on the next page of these financial statements.

BENFLEET SCHOOLS TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

SUPPLEMENTARY NOTE: COMPARATIVE INFORMATION FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2015 £'000
Income and endowments from:					
Donations and capital grants	2	17	-	2,883	2,900
Charitable activities:					
- Funding for educational operations	3	-	7,551	-	7,551
Other trading activities	4	85	40	-	125
Investments	5	7	-	-	7
Total income and endowments		109	7,591	2,883	10,583
Expenditure on:					
Raising funds	6	13	-	-	13
Charitable activities:					
- Educational operations	7	-	8,127	480	8,607
Total expenditure	6	13	8,127	480	8,620
Net income/(expenditure)		96	(536)	2,403	1,963
Transfers between funds		-	554	(554)	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	18	-	63	-	63
Net movement in funds		96	81	1,849	2,026
Reconciliation of funds					
Total funds brought forward		143	(1,063)	12,429	11,509
Total funds carried forward		239	(982)	14,278	13,535

BENFLEET SCHOOLS TRUST

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016 £'000	2015 £'000
Fixed assets			
Tangible assets	11	13,869	14,152
Current assets			
Stocks	12	10	8
Debtors	13	311	479
Cash at bank and in hand		1,295	1,146
		<u>1,616</u>	<u>1,633</u>
Current liabilities			
Creditors: amounts falling due within one year	14	(475)	(348)
Net current assets		<u>1,141</u>	<u>1,285</u>
Net assets excluding pension liability		<u>15,010</u>	<u>15,437</u>
Defined benefit pension liability	18	(3,126)	(1,902)
Total net assets		<u>11,884</u>	<u>13,535</u>
Funds of the Academy Trust:			
Restricted funds	16		
- Fixed asset funds		14,104	14,278
- Restricted income funds		684	920
- Pension reserve		(3,126)	(1,902)
Total restricted funds		<u>11,662</u>	<u>13,296</u>
Unrestricted income funds	16	<u>222</u>	<u>239</u>
Total funds		<u>11,884</u>	<u>13,535</u>

The Financial Statements set out on pages 16 to 37 were approved by the Board of Trustees and authorised for issue on 12 December 2016 and are signed on its behalf by:



P Hillman
Member, Chair

Company Number 07561574

BENFLEET SCHOOLS TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £'000	2015 £'000	2015 £'000
Cash flows from operating activities				
Net cash provided by (used in) operating activities	19		60	(534)
Cash flows from investing activities				
Dividends, interest and rents from investments		8		7
Capital grants from DfE and EFA		361		2,855
Capital funding from sponsors and others		-		28
Payments to acquire tangible fixed assets		(280)		(2,296)
			89	594
Change in cash and cash equivalents in the reporting period			149	60
Cash and cash equivalents at 1 September 2015			1,146	1,086
Cash and cash equivalents at 31 August 2016			1,295	1,146

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

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

1.1 Basis of preparation

The Financial Statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Benfleet Schools Trust meets the definition of a public benefit entity under FRS 102.

These Financial Statements for the year ended 31 August 2016 are the first Financial Statements of Benfleet Schools Trust prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

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

1.3 Income

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

Grants receivable

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

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

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

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

Donations

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

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management, Trustees' meetings and reimbursed expenses.

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

1.5 Tangible fixed assets and depreciation

Assets costing £5,000 or more per item (or less if they form part of a larger purchase or project where the total cost exceeds £25,000) are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

Freehold land is not depreciated

Freehold buildings	2% Straight Line
Computer equipment	20% Straight Line
Fixtures, fittings & equipment	10% - 15% Straight Line
Motor vehicles	10% Straight Line

Fixed Asset Transfer from Predecessor School

Where fixed assets were transferred to the charitable company from the predecessor school, these have been included at a value determined in accordance with the policy described below;

Land

Where land is owned (or occupied under the terms of a long lease), subject to a legally binding restriction as to its use, it is included at a valuation that assumes continuation of existing use.

Buildings

In accordance with the requirements of FRS 102, specialist buildings transferred from a predecessor school are recognised at their depreciated replacement cost at the time of the transfer. Future depreciation is charged over the estimated remaining useful life of the buildings.

Other Fixed Assets

Other fixed assets transferred from the predecessor school are also included at depreciated replacement cost (subject to the capitalisation limit set).

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.

1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.9 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Pensions benefits

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

Teachers' Pension Scheme

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 18, 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 are recognised in the period to which they relate.

Local Government Pension Scheme

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

1.11 Fund accounting

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

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

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

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

1.12 Agency arrangements

The academy trust acts as agent in distributing 16-19 bursary funds from the EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the trust does not have control over charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities.

The academy trust acts as agent in distributing funds to Essex Schools from the 14-19 Area Planning Group (APG). Payments received from the APG and subsequent disbursements to other schools are excluded from the Statement of Financial Activities as the trust does not have control over charitable application of the funds.

The academy trust acts as agent in distributing funds to Essex Schools from the Benfleet Teaching Schools Alliance (BTSA). Payments received from the BTSA and subsequent disbursements to other schools are excluded from the Statement of Financial Activities as the trust does not have control over the charitable application of the funds.

The funds received and paid, and any balances held are disclosed in note 24.

1.13 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

In preparing these Financial Statements, the Trustees have not needed to exercise any subjective judgements that would be critical to the Academy Trust's Financial Statements.

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

2 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Capital grants	-	361	361	2,855
Other donations	31	-	31	45
	<u>31</u>	<u>361</u>	<u>392</u>	<u>2,900</u>

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
DfE / EFA grants				
General annual grant (GAG)	-	6,622	6,622	6,480
Other DfE / EFA grants	-	269	269	255
	<u>-</u>	<u>6,891</u>	<u>6,891</u>	<u>6,735</u>
Other government grants				
Local authority grants	-	220	220	316
	<u>-</u>	<u>220</u>	<u>220</u>	<u>316</u>
Other funds				
Other incoming resources	2	560	562	500
	<u>2</u>	<u>560</u>	<u>562</u>	<u>500</u>
Total funding	<u>2</u>	<u>7,671</u>	<u>7,673</u>	<u>7,551</u>

4 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Hire of facilities	52	-	52	85
Transport income	-	44	44	40
	<u>52</u>	<u>44</u>	<u>96</u>	<u>125</u>

5 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Short term deposits	8	-	8	7
	<u>8</u>	<u>-</u>	<u>8</u>	<u>7</u>

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

6 Expenditure

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2016 £'000	Total 2015 £'000
Academy's educational operations					
- Direct costs	5,387	455	849	6,691	6,172
- Allocated support costs	748	356	857	1,961	2,435
	<u>6,135</u>	<u>811</u>	<u>1,706</u>	<u>8,652</u>	<u>8,607</u>
Other expenditure					
Raising funds	2	-	67	69	13
	<u>2</u>	<u>-</u>	<u>67</u>	<u>69</u>	<u>13</u>
Total expenditure	<u>6,137</u>	<u>811</u>	<u>1,773</u>	<u>8,721</u>	<u>8,620</u>
Net income/(expenditure) for the year includes:				2016	2015
				£'000	£'000
Fees payable to auditor for:					
- Audit				11	8
- Other non-audit services				5	5
Operating lease rentals				16	14
Depreciation of tangible fixed assets				563	480
				<u>595</u>	<u>507</u>

Included within expenditure are the following transactions:

	2016 £
Gifts made by the trust - total	<u>657</u>

Clarification - While the majority of disclosure in these accounts are rounded to £'000, disclosure of gifts made are not. The value of gifts made for the year was £657 (and not £657k).

Central services

The company changed its Articles of Association during the year to enable it to operate as a Multi Academy Trust in the future. No new academies joined the trust during the year, therefore all of the above expenditure relates exclusively to The Appleton School. On this basis no central services were charged during the year.

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Direct costs - educational operations	39	6,652	6,691	6,172
Support costs - educational operations	60	1,901	1,961	2,435
	<u>99</u>	<u>8,553</u>	<u>8,652</u>	<u>8,607</u>

Analysis of support costs

	2016 £'000	2015 £'000
Support staff costs	748	708
Depreciation and amortisation	108	96
Premises costs	555	1,096
Other support costs	468	463
Governance costs	82	72
	<u>1,961</u>	<u>2,435</u>

8 Staff costs

	2016 £'000	2015 £'000
Wages and salaries	4,729	4,558
Social security costs	393	332
Operating costs of defined benefit pension schemes	799	698
Staff costs	<u>5,921</u>	<u>5,588</u>
Supply staff costs	216	163
Staff restructuring costs	-	1
Total staff expenditure	<u>6,137</u>	<u>5,752</u>

Staff numbers

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

	2016 Number	2015 Number
Teachers	83	78
Administration and support	105	111
Management	8	8
	<u>196</u>	<u>197</u>

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

8 Staff costs

Higher paid staff

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

	2016 Number	2015 Number
£60,000 - £70,000	3	3
£70,001 - £80,000	2	2
£110,001 - £120,000	1	1

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £697,826.

9 Trustees' remuneration and expenses

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Head Teacher and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff members under their contracts of employment, and not in respect of their services as Trustees.

The value of Trustees' remuneration and other benefits was as follows:

K Kerridge (Head Teacher):

- Remuneration £115,000 - £120,000 (2015: £115,000 - £120,000)
- Employer's pension contributions £15,000 - £20,000 (2015: £10,000 - £15,000)

During the year, expenses payments totalling £1,534 (2015: £368) were reimbursed or paid directly to 1 Trustee (2015: 3 Trustees). Expenses were incurred in performing the normal duties of employment.

Other related party transactions involving the Trustees are set out within the related parties note.

10 Trustees and officers insurance

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

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

11 Tangible fixed assets

	Freehold land and buildings £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 September 2015	15,150	64	330	24	15,568
Additions	87	33	160	-	280
At 31 August 2016	15,237	97	490	24	15,848
Depreciation					
At 1 September 2015	1,275	11	128	2	1,416
Charge for the year	494	17	50	2	563
At 31 August 2016	1,769	28	178	4	1,979
Net book value					
At 31 August 2016	13,468	69	312	20	13,869
At 31 August 2015	13,875	53	202	22	14,152

Freehold land and buildings include land of £1,894k which is not depreciated.

12 Stocks

	2016 £'000	2015 £'000
Stores of Catering and uniform supplies	10	8

13 Debtors

	2016 £'000	2015 £'000
Trade debtors	1	6
VAT recoverable	61	117
Other debtors	195	298
Prepayments and accrued income	54	58
	311	479

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

14 Creditors: amounts falling due within one year	2016	2015
	£'000	£'000
Trade creditors	-	7
Other taxation and social security	119	98
Other creditors	92	80
Accruals and deferred income	264	163
	<u>475</u>	<u>348</u>
	<u>475</u>	<u>348</u>
15 Deferred income	2016	2015
	£'000	£'000
Deferred income is included within:		
Creditors due within one year	201	82
	<u>201</u>	<u>82</u>
Deferred income at 1 September 2015	82	74
Released from previous years	(82)	(74)
Amounts deferred in the year	201	82
	<u>201</u>	<u>82</u>
Deferred income at 31 August 2016	201	82
	<u>201</u>	<u>82</u>

Deferred income above relates to rates income of £16k (2015: £13k); trips and activities income of £48k (2015: £39k); catering income received in advance of £6k (2015: £5k); 14-19 area planning group funds of £nil (2015: £10k); unspent 16-19 bursary funding of £16k (2015: £6k); unspent BTSA income £112k (2015: £nil) and £3k (2015: £9k) of income received during the year where the related activities are due to be take place after 31 August 2016.

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Funds

	Balance at 1 September 2015	Incoming resources	Resources expended	Gains, losses & transfers	Balance at 31 August 2016
	£'000	£'000	£'000	£'000	£'000
Restricted general funds					
General Annual Grant	105	6,622	(6,699)	(28)	-
Other DfE / EFA grants	280	269	(179)	-	370
Other government grants	246	220	(361)	-	105
Other restricted funds	289	604	(684)	-	209
	<u>920</u>	<u>7,715</u>	<u>(7,923)</u>	<u>(28)</u>	<u>684</u>
Funds excluding pensions	920	7,715	(7,923)	(28)	684
Pension reserve	(1,902)	-	(125)	(1,099)	(3,126)
	<u>(982)</u>	<u>7,715</u>	<u>(8,048)</u>	<u>(1,127)</u>	<u>(2,442)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	3,964	361	(110)	-	4,215
Inherited funds	9,296	-	(375)	-	8,921
Capital expenditure from GAG and other funds	990	-	(77)	28	941
Private sector capital sponsorship	28	-	(1)	-	27
	<u>14,278</u>	<u>361</u>	<u>(563)</u>	<u>28</u>	<u>14,104</u>
Total restricted funds	<u>13,296</u>	<u>8,076</u>	<u>(8,611)</u>	<u>(1,099)</u>	<u>11,662</u>
Unrestricted funds					
General funds	239	93	(110)	-	222
	<u>239</u>	<u>93</u>	<u>(110)</u>	<u>-</u>	<u>222</u>
Total funds	<u>13,535</u>	<u>8,169</u>	<u>(8,721)</u>	<u>(1,099)</u>	<u>11,884</u>

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

The Restricted General Funds are used to fund the general operating costs of the Academy.

The Restricted LGPS Fund represents the Academy's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents the net book value of fixed assets £13,864k (2015: £14,152k) plus the unspent element of Capital funds £235k (2015: £126k). When assets are purchased the fund is increased and depreciation charges reduce the fund.

Unrestricted Funds represent balances held at period end that can be applied at the discretion of the Governors, to support any of the Academy's charitable purposes.

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Funds

Total funds analysis by academy

	Total £'000
Fund balances at 31 August 2016 were allocated as follows:	
The Appleton School	906
Total before fixed assets fund and pension reserve	906
Restricted fixed asset fund	14,104
Pension reserve	(3,126)
Total funds	11,884

The company changed its Articles of Association during the year to enable it to operate as a Multi Academy Trust. No new academies joined the trust during the year, therefore all funds quoted above relate exclusively to The Appleton School.

17 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2016 £'000
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	13,869	13,869
Current assets	222	1,159	235	1,616
Creditors falling due within one year	-	(475)	-	(475)
Defined benefit pension liability	-	(3,126)	-	(3,126)
	222	(2,442)	14,104	11,884

18 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and that of the LGPS related to the period ended 31 March 2013.

Contributions amounting to £91,693 (2015: £80,070) were payable to the schemes at 31 August 2016 and are included within creditors.

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £552k (2015: £452k).

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

Under the definitions set out in FRS 102, the TPS is 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.

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.8% for employers and between 5.5% and 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £196k (2015: £194k).

The employer's contribution rate includes additional lump sum contributions which are assessed by actuaries so as to eliminate the pension fund deficit over a period of 23 years.

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.

Total contributions made	2016	2015
	£'000	£'000
Employer's contributions	194	190
Employees' contributions	58	56
Total contributions	<u>252</u>	<u>246</u>

Principal actuarial assumptions	2016	2015
	%	%
Rate of increases in salaries	4.10	4.50
Rate of increase for pensions in payment	2.30	2.70
Discount rate	2.20	4.00
RPI Increase	3.20	3.60
CPI Increase	<u>2.30</u>	<u>2.70</u>

Sensitivity Analysis

Scheme liabilities have been valued at £4,628k. The measurement of these liabilities would change in the event that key assumptions underlying their valuation changed.

If the discount rate were to increase by 0.1%, liabilities would be measured at £4,526k.

If the discount rate used were to decrease by 0.1%, liabilities would be measured at £4,733k.

If the life expectancy were to increase by a year, liabilities would be measured at £4,750k.

If the life expectancy were to decrease by a year, liabilities would be measured at £4,509k.

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

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

	2016	2015
	Years	Years
Retiring today		
- Males	22.90	22.80
- Females	25.30	25.20
Retiring in 20 years		
- Males	25.20	25.10
- Females	27.70	27.60

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

	2016	2015
	Fair value	Fair value
	£'000	£'000
Equities	1,030	714
Gilts	54	44
Other Bonds	68	107
Cash	45	27
Property	166	127
Other assets	139	79
Total market value of assets	1,502	1,098

Actual return on scheme assets - gain/(loss)	180	47
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Amounts recognised in the statement of financial activities

	2016	2015
	£'000	£'000
Current service cost (net of employee contributions)	246	246
Net interest cost	73	60

Changes in the present value of defined benefit obligations

	2016
	£'000
Obligations at 1 September 2015	3,000
Current service cost	245
Interest cost	121
Employee contributions	58
Actuarial loss	1,232
Benefits paid	(28)
At 31 August 2016	4,628

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

Changes in the fair value of the Academy Trust's share of scheme assets	2016 £'000
Assets at 1 September 2015	1,098
Interest income	47
Return on plan assets (excluding amounts included in net interest): Actuarial gain	133
Employer contributions	194
Employee contributions	58
Benefits paid	(28)
At 31 August 2016	1,502

19 Reconciliation of net income/(expenditure) to net cash flows from operating activities

	2016 £'000	2015 £'000
Net income/(expenditure) for the reporting period	(552)	1,963
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(361)	(2,883)
Investment income	(8)	(7)
Defined benefit pension costs less contributions payable	52	56
Defined benefit pension net finance cost/(income)	73	60
Depreciation of tangible fixed assets	563	480
(Increase)/decrease in stocks	(2)	(1)
(Increase)/decrease in debtors	168	(151)
Increase/(decrease) in creditors	127	(51)
Net cash provided by operating activities	60	(534)

20 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £'000	2015 £'000
Amounts due within one year	12	17
Amounts due in two and five years	5	21
	17	38

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

21 Capital commitments

	2016 £'000	2015 £'000
Expenditure contracted for but not provided in the Financial Statements	199	44

At 31 August 2016 the academy had capital commitments of £199k in respect of new boilers being installed. This project is being funded by a CIF bid from the EFA.

22 Related party transactions

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

Expenditure of £nil (2015: £400) took place with Sarah Dignasse Limited (company number 06924658). This is a related party by virtue of the fact that S Dignasse is both a Director of Benfleet Schools Trust and Director of Sarah Dignasse Limited. No balances were outstanding at the balance sheet date.

Income of £14,519 (2015: £2,470) and expenditure of £20,009 (2015: £nil) took place with Takely Education Trust T/A Woodlands School (company number 09451372). This is a related party by virtue of the fact Benfleet Schools Trust is a member of Takely Education Trust. No balances were outstanding at the balance sheet date.

In entering into the transactions the trust has complied with the requirements of the EFA's Academies Financial Handbook.

23 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.

24 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the EFA. In the accounting period ending 31 August 2016 the trust received £15,019 (2015: £10,512) and disbursed £5,710 (2015: £4,023) from the fund. An amount of £15,798 (2015: £6,489) is included within creditors: amounts falling due within one year relating to undistributed funds that are repayable to the EFA.

The academy trust distributes funds to other Essex schools on behalf of the 14-19 Area Planning Group. In the accounting period ended 31 August 2016 the trust disbursed £9,539 (2015: £9,350) from the fund. At the 31 August 2016 there was no balance remaining (2015; £9,539) within creditors; amounts due within one year.

The academy trust distributes funds to other Essex schools on behalf of the Benfleet Teaching Schools Alliance (BTSA). In the accounting period ended 31 August 2016, the trust received income of £281,235 (including the transfer from the school who previously managed the BTSA) and disbursed £168,901 from the fund. An amount of £112,334 is included within creditors: amounts falling due within one year relating to undistributed funds.

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