

LIFE ACADEMIES TRUST (PREVIOUSLY BIGGLESWADE ACADEMY TRUST)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

LIFE ACADEMIES TRUST (PREVIOUSLY BIGGLESWADE ACADEMY TRUST)
(A Company Limited by Guarantee)

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LIFE ACADEMIES TRUST (PREVIOUSLY BIGGLESWADE ACADEMY TRUST)
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members	Mrs M Topley Mr J Dilley Mr G Waghom Mr P Rose Mr B Briars
Trustees	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 R Ellison (resigned 28 January 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
Company Secretary	Mrs Sharon Wheeler
Accounting Officer	Mr S Phillips
Senior Leadership Team	Mr S Phillips, Principal (CEO from 1 September 2016) Ms S Flynn, Acting Academy Principal (Principal from 1 September 2016) Mrs C McGuckian, Vice Principal Mr M Steer, Vice Principal Ms D Briars, Associate Principal Mrs R Wilson, Associate Principal
Company name	Life Academies Trust
Registered and Principal Office	Mead End Biggleswade Bedfordshire SG18 8JU
Company Registered Number	07928028
Independent Auditors	Price Bailey LLP Chartered Accountants Tennyson House Cambridge Business Park Cambridge CB4 0WZ
Bankers	Lloyds Bank plc PO Box 1000 Andover BX1 1LT
Solicitors	Stone King LLP 16 St John's Lane London EC1M 4BS

LIFE ACADEMIES TRUST (PREVIOUSLY BIGGLESWADE ACADEMY TRUST)
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

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 1st September 2015 to 31 August 2016. 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.

Biggleswade Academy Trust changed its name to LIFE Academies Trust on 6th May 2016 and from 1st September 2016 separated its single governance board (previously comprising of Members, Directors and Governors) into separately functioning bodies. The Board of Directors now assumes overall strategic responsibility for the Trust with the Local Governing Body focussing on its, currently single, school – Biggleswade Academy (the School).

Biggleswade Academy operates for pupils aged 2-13 and it has a school-aged pupil capacity (Years R-8) of 915 places. In addition, the Academy Pre-School is a 72 place Early Years Setting and The Lawns Nursery is a 78 place Early Years setting. The Lawns Nursery School and Biggleswade Children's Centre became part of Biggleswade Academy on May 1st 2016.

The Trust currently has 829 school-aged pupils on roll at Biggleswade Academy, 89 children accessing Early Years Provision at Biggleswade Academy Pre-school and 141 at The Lawns Nursery School; correct as of the autumn census on 6th October 2016.

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 changed its name to Life Academies Trust on 6 May 2016 in preparation for the split of Governance duties outlined above.

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 2015-16 Academic year and from 1st September 2016.

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 £5,000,000.00 on any one. The cost of this insurance is included in the total insurance cost.

Method of Recruiting and Appointment or Election of Trustees

Members

Members of the Charitable Company comprise of the signatories to the Memorandum of Association and the Chair of the Trustees. The Members may agree unanimously in writing to appoint additional Members as they see fit. They may also unanimously in writing agree to remove any such additional Members.

Any Member may resign provided that after such resignation the number of Members is not less than three.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Trustees

All Trustees have a term of office of 4 years. If they remain eligible under their Trustee heading they may be re-appointed or re-elected.

Members may appoint up to 7 Trustees and can appoint Staff Trustees through any such process as they may determine provided that the total number of Trustees who are employees does not exceed one third of the total number of Trustees.

At 1st September 2012 Biggleswade Academy Trust comprised of Holmemead Middle School its only School. On 1st March 2013 Southlands Lower School was granted Academy status and joined the Multi Academy Trust. At this point 4 Governors from the previous Southlands Lower School Governing Body joined the Multi Academy Trust as Directors.

At 1st September 2013 the component schools within Biggleswade Academy Trust (Holmemead Middle School, Southlands Lower School and Brigham Pre School and the Den) merged to form Biggleswade Academy. However, Life Academies Trust (previously Biggleswade Academy Trust) remains a Multi Academy Trust, albeit one that currently has only one school, Biggleswade Academy, within the Trust. In May 2016 The Lawns Nursery School and Children's Centre merged with Biggleswade Academy.

In the event of more Academies joining the Trust there must be a minimum of 2 Parent Trustees for every 10 or fewer Academies and they would be elected by the Parent Members of the individual Governing Bodies as per their terms of reference. Any elected Parent Trustee must be a parent of a registered pupil at one of the Academies; or where it is not reasonable to do so, a person who is the parent to a child of compulsory school age, at the time they are elected.

The Trustees may appoint up to 3 Co-opted Trustees but should not co-opt an employee of the Charitable Company if it would mean the total number of Trustees who are employees would exceed a third. A Co-opted Trustee may not themselves appoint further Co-opted Trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new Trustees will be offered a tour of the School and the chance to meet staff and students.

All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally few new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational Structure

The Trust is constituted under its Articles of Association. The Board of Trustees and Senior Leadership Team are detailed on page 1 of this report.

The Trustees make the key decisions for and determine the general policies of the Trust and meet at least four times a year as a full board and receive reports from the sub committees. During the 2016 Academic year there were four sub committees that supported the Board; Finance and General Purposes; Standards and Performance; Admissions, and Pay. With the exclusion of the Pay Committee which meets once a year all meet a minimum of 3 times a year with additional meetings as required.

From 1st September 2016, as outlined above, the Members, Board of Directors and Local Governing Body operate separately with a clearly defined Scheme of Delegation in place to structure these operations.

The Trust has defined the responsibilities of each person involved in the administration of Trust finance to avoid the duplication or omission of functions and to provide a framework of accountability for Trustees and Staff. The financial reporting structure is illustrated below:

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The Board of Trustees

The Board of Trustees has overall responsibility for the administration of the Trust's finances. The main responsibilities of the board of Trustees are prescribed in the Funding Agreement(s) as follows:

- Master Funding Agreement with the Secretary of State for Education – dated 1st March 2012, Setting up the Multi Academy Trust (MAT) on the conversion to Academy status of Holmemead Middle School on 1st March 2012.
- Supplementary Funding Agreement with the Secretary of State for Education – dated 1st March 2013 – Issued on the conversion to Academy status of Southlands Lower School who joined the MAT on 1st March 2013.
- Deed of Variation to the Master Funding Agreement with the Secretary of State for Education – dated 2nd August 2013 – issued to delete and replace in their entirety clauses 19 and 20 and to add a new clause 20A.
- Deed of Variation to Master Funding Agreement with the Secretary of State for Education – dated 26th September 2016 – issued on the Merger of the Lawns Nursery School into Biggleswade Academy on 1st May 2016.

The Board of Trustees, which meets on at least four occasions per year supported by each individual committee which meets at least three times per year, is responsible for the strategic direction of the Trust and the Academies within it. The Board reviews progress towards educational objectives and results; approves major expenditure requests; sets the budget for the following year; sets the organisational staffing structure; agrees the performance objectives of the Headteacher with the Chief Executive Officer (C.E.O.), and reviews them.

The newly appointed Chief Executive Officer (who was previously the Biggleswade Academy Principal) is the designated Accounting Officer of the Trust and has overall responsibility for the day to day financial management of the Charitable Company.

During the 2015-16 Academy Year the Academy Principal (also the CEO) managed the Academy on a daily basis. In line with the changes to Governance, from 1st September 2016, these roles were separated and the C.E.O. now manages the Trust, supported by the Academy Principal and Senior Leadership Team (SLT), whose focus lies with Biggleswade Academy. The SLT meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Board of Trustees as required for approval. Each member of the SLT has specific responsibilities to assist the Principal and C.E.O. to manage certain aspects of the School and the wider Trust.

The Finance & General Purposes Committee (F&GP)

The F&GP is a Committee of the Board of Trustees. The F&GP meets monthly to review the monthly management accounts provided for them by an external service provider. This allows this committee to keep a close handle on all related financial issues and manage risk in a proactive manner through early identification and action. The main responsibilities of the F&GP are detailed in written terms of reference which have been authorised by the Board of Trustees.

Arrangements for setting pay and remuneration of key management personnel

The Trust chooses to follow both the School Teacher's Pay and Conditions Document and the NJC Local Government arrangements for school based staff. In addition it operates a rigorous appraisal process for all staff which is based on current best practice to ensure that staff are both supported to do their jobs to the best of their ability, and also challenged when this is found not to be the case.

The Pay committee meet once a year to review key benchmarks arising from the performance and appraisal process and review criteria, such as the progress made by individual, small groups and cohorts of pupils among others. They also utilise the services of an external 'critical friend' to carry out an in-depth performance review of the Academy Principal.

The Principal

In 2015-16 the Principal was the Accounting Officer. For 2016-17 this responsibility will pass to the newly created C.E.O. role. Within the framework of the Academy Improvement Plan (AIP) as approved by the Board of Trustees there is a clear Scheme of Delegation (SOD) which details the responsibilities for senior leaders and those involved in governance at all levels. This SOD has been agreed by the Board of Trustees.

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TRUSTEES' REPORT (continued)
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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.

Objectives and Activities

Objects and Aims

Biggleswade Academy is the only school of its type within the town of Biggleswade and provides high quality education and care for children and young people aged 2-13 from 7.30am – 6pm for 51 weeks of the year.

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."

The Trust provides 'through' education for a large number of its pupils, whilst matching the existing 3-tier system in operation within the town for others.

Objectives, Strategies and Activities

Within the Academy Improvement Plan (SIP) for the academic year to 31st August 2017 the areas identified as being key to the future success of the Trust during the rigorous on-going self-evaluation undertaken during the previous academic year, are:

Leadership and Management – Life Academies Trust

- To effectively manage the process of creating a clearer definition between the Trust and the School
- To ensure all relevant systems and procedures are in place to support the future expansion of its Trust.
- To ensure the performance of pupils at the School continues to improve in line with our high expectations.

Leadership and Management – The School

- To ensure that national and local lessons learnt relating to the new curriculum and assessment expectations are understood by leaders and managers across the entire Trust – resulting in significant improvements in outcomes at KS1 and KS2 in 2016-17.
- To ensure clear line management and accountability systems are in place across all facets of the Trust to bring further improvements in operational effectiveness. (The Lawns Nursery School, Biggleswade and District Children's Centre, Biggleswade Academy Pre-School and Biggleswade Academy). Areas to include are leadership and management of all teaching and support staff.
- To maintain and develop high performing and well-motivated 'teams within teams' across all areas of Trust performance.

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TRUSTEES' REPORT (continued)
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Quality of Learning, Teaching and Assessment:

- Assessment Focus
 - To embed and further develop the Academy's 'Life Without Levels' assessment system for use across Key Stages 1 & 2 (ages 4-11) to ensure accurate assessments are made by all staff and that all pupils therefore make at least expected progress based on the new more challenging national curriculum requirements.
 - To replace the 'Levels' system previously required by the national curriculum for use across the Key Stage 3 age range (11-13) in order that pupils make at least expected progress based on KS2 SAT results.
- To successfully integrate and consolidate early year's practice across our two outstanding providers (Pre-school and nursery) to allow the systematic sharing and development of excellent practice.
- To develop use of iPads & mobile technology across all areas of the Academy curriculum to drive innovation and progress in all year groups – with a particular focus on the '1-1' programme in KS2&3.
 - Empower - Empower pupils by encouraging creativity, problem-solving and independence in their learning.
 - Feedback - Provide an increasingly high degree of personalised feedback to pupils and their families.
 - Shared learning pathways - Bring pupils into closer partnership with teachers in the development of learning pathways and learning materials.
 - Shared learning opportunities - Systematically share learning materials with pupils and parents in order to empower their support for learning anytime, anywhere.
- To comprehensively review and revise all aspects of the Academy curriculum to ensure growth mind-set principles and high levels of aspiration are key features throughout :
 - Active learning and engagement - Pupils actively engaged in the learning process
 - Challenge - Opportunities and encouragement for all pupils to exceed even their own expectations
 - Curriculum – Relevant, varied and challenging to all pupils
 - Growth Mind-set – building resilience and expectations in both pupils and staff

All learning to be underpinned by the continued development of Literacy and Numeracy principles:

- Fully embed the principles of LAC in all key stages:
- Raised expectations (writing) – guided writing, modelled writing need to be transferred to all subjects for consistent quality of writing to be produced.
- Use of key vocab and accuracy of spellings - Emphasis on key vocabulary and spellings across all subjects.
- Handwriting and presentation – high expectations, implicitly taught and monitored.
- Implement the fundamental requirements of Numeracy Across the Curriculum into all Key Stages within the Academy, with a focus on:
 - Reasoning - Can construct / explain technical/multistep ideas
 - Fluency - Can switch between different multistep concepts and ideas with fluidity and assurance
 - Problem Solving - Can think of different ways of solving a problem, working in an organised and systematic way

Personal Development, Behaviour and Welfare:

- To develop significantly improved systems for family engagement, involvement and relationship building.
- Successfully manage the process of the integration of the Phase One new build onto the Academy site to ensure minimal disruption.
- Successfully manage the process of the building scheme of works of the Phase Two new build onto the Academy site to ensure minimal disruption.

Outcomes for children and learners:

- To maintain a clear focus on sustaining and improving levels of performance at all national testing points which must all be in line with or above both national expectations and averages.

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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 Academy'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."

Strategic Report

Achievements and Performance

The second full year of the Academy's academic performance as a 2-13 School showed excellent returns on the investments made in the run up to the merger and full conversion.

- Early Years results were once again strong, although the number of children demonstrating a 'good level of development' dropped slightly from last year's results.
- For the third year in succession, 90% of pupils achieved a pass in their Phonic Screening Check, significantly above the national picture.
- KS 1&2 results were subject to a new methodology of assessment this year and therefore exact performance in relation to national statistics is unknown at this point. Initial indications are that pupil performance in KS1 was as predicted by the Academy and will be broadly in line with the National picture. KS2 was a slightly more complex picture with performance again matching the Academy's internal predictions, but (following four years of consistent and significant increases) with performance varying more broadly between areas of study with Maths proving an area of greater concern.
- KS3 results (exit data) continue to perform significantly above national benchmarks and either in line with or above the national for middle schools (based on unofficial national middle Schools forum data), demonstrating a sustaining of performance at this level whilst the 'wave' of increased performance lower down the school continues to work its way up the age ranges year on year.

Reference has been made to academic performance indicators in the Achievement and Performance Section. The academy also measures financial key performance indicators during the year to monitor and assess its financial position.

	Actual	Target
Staff costs to revenue income	75%	75%
Staff costs to total expenditure	82%	80%
Current assets to current liabilities	2.5 times	1.5 times
Cash balance to total income	13%	8%

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.

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Financial Review

Financial report for the year

The majority of the Trust's income is obtained from the DfE in the form of recurrent grants. The grants received from the DfE during the year ended 31 August 2016 and the associated expenditure are shown in the Statement of Financial Activities.

During the year ended 31 August 2016, total income was £5,838,884, compared with total expenditure of £4,785,633 which shows a carry forward of £1,053,251 of income in excess of expenditure before actuarial losses of £553,000.

At 31 August 2016, the net book value of fixed assets was £7,870,491. The assets were used exclusively for providing education and the associated support services to the students of the School.

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end reserve figures via the receipt of management accounts which are prepared monthly. The budget plan identifies how any reserves will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £582,144. 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 August 2016 was £582,144.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £712,375. 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 Academy balance sheet shows a net liability of £1,448,000. 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 Trustee's 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. All such investments must be authorised by the Board of Trustees.

Financial and Risk Management Objectives and Policies

Robust procedures and a robust financial system has been built 'from the ground up' which has great evidence based cross-checking of the Trust's financial position and great redundancy in the system to deal with unexpected challenges. In addition, policies add a further layer of rigour and challenge.

Risk Management

The Trustees have assessed the major risks to which it is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust and its finances.

The Trust's 'Risk Register' is a standing agenda item for Board meetings and is regularly revisited and updated to ensure it is a 'working document' at the heart of our practice.

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TRUSTEES' REPORT (continued)
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External Health & Safety Consultants, Hoskins Associates, have been engaged for a second year to build on their work with the trust in 2014-15. As a result of this and other work in this area the Trust has appointed a full time, qualified Facilities Manager to address any risks identified on an ongoing basis. The Trust is seeing significantly increased productivity and robustness of practice through this appointment and also increased efficiencies through the greater knowledge and ability of this professional to combine and renegotiate contracts across our sites.

The Trust operates a rigorous safeguarding system. New staff are vetted thoroughly through enhanced DBS checks and the right to work checks. Internal operational procedures ensure that visitors and contractors are supervised at all times and the school grounds are secure.

The Trust has an effective system of financial control which is scrutinised on a regular basis by the externally appointed Internal Auditor. Reports are submitted to the F&GP Committee and any areas of concern addressed. Where significant financial risk still remains, the Trust has ensured that adequate insurance cover exists.

Principal Risks and Uncertainties

Outlined below is a description of the principal risk factors that may affect the Trust. However, not all factors are within its control and other factors besides those listed below may also adversely affect it.

- Government funding

The Trust has considerable reliance on continued government funding through the Education Funding Agency (EFA) and the Local Authority. The Review of 2015-16 School Funding Arrangements and the resulting changes to the way government grants are paid to the Academies has been followed closely and shared with Trustees.

This risk has and will be mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements;
 - Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies;
 - Ensuring the Trust is focused on those priority sectors which will continue to benefit from public funding;
 - Contingency planning embedded into the academy budget process.
 - Comparison of previous funding methodology and the new funding process was carried out in advance of budget setting.
- Maintain adequate funding of pension liabilities

The financial statements report the share of the Local Government Pension Scheme deficit on the Trust's balance sheet in line with the requirements of FRS 102.

The academy takes professional advice on this position and makes appropriate contributions on the basis of that advice to ensure the deficit does not become unmanageable.

- Pupil Strategy

The Trust seeks to maintain its popularity with current and prospective pupils by:

- ensuring it delivers high quality learning and teaching;
- maintaining outstanding success rates and good inspection outcomes; and
- continuing to invest in its teaching staff and resources.

With the agreed merger and the on-going commitment to quality, the Trust now provides a unique market-leading learning environment for children aged 2 to 13. Already this is being seen as a model that is attracting parents and therefore leading to new pupils.

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TRUSTEES' REPORT (continued)
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Plans for Future Periods

The Trust's immediate focuses for development are identified in the Objectives, Strategies and Activities section above, however in addition to these and following the merger the Trust continues to develop its work with 'The Lawns Nursery School and Children's Centre', also an outstanding provider of Early Years provision within the Town. Many benefits are already being seen from this work, both 'on the ground' for our children and 'behind the scenes' for the operations of both settings.

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 was approved by the Board, on 24 November 2016 and signed on its behalf 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 (Previously Biggleswade Academy Trust) has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the Principal (CEO from September 2016), 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 (Previously Biggleswade Academy 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 8 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
Mrs M Topley, Chair (resigned 21 September 2016)	8	8
Mr J Dilley, Chair	6	8
Mr G Waghom	4	4
Mrs E Wyatt (resigned 21 September 2016)	6	8
Mrs J Bull (resigned 21 September 2016)	7	8
Ms R Ellison	8	8
Ms D Bryne (resigned 28 September 2016)	0	8
Ms A Galea (resigned 21 January 2016)	4	4
Mr M Berman	7	8
Miss C Woodhams (appointed 21 September 2016)	5	8
Mr A Dean (appointed 21 September 2016)	5	8
Mr D Cooke (appointed 21 September 2016)	0	0

Andrew Masson resigned as trustee during the year and Ruth Ellison resigned as a governor. Matthew Berman, Claire Woodhams and Andrew Dean were appointed after the year end. Tim Woodward had a special leave of absence due to ill health. Stephen Phillips had a special leave of absence due to ill health also.

Finance & General Purposes Committee

During the first half of the year it was agreed that the full Board of Trustees would meet monthly in order to review the management accounts & other financial issues instead of delegating this responsibility to the Finance & General Purposes Committee. Since 23rd February 2016 the Finance & General Purposes Committee has resumed its role.

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GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Principal (CEO from September 2016) 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:

- Successful completion of the capital Improvement fund bid to replace roof.
- Successful completion of 'Phase 1 build' working with Central Bedfordshire Council to deliver improved facilities for both Biggleswade Academy and Ivel Valley Special School children on our site.
- Successful agreement from the Regional Schools Commissioner to expand the Planned Admission Number within years R-4 from 60 pupils per year to 90 pupils per year.
- Restructure of support staff following the successful merger of The Lawns Nursery School and Children's Centre into Biggleswade Academy, providing cost savings.
- Employment of a full time specialist Facilities Manager allowing further successful renegotiation of contracts.
- Renegotiation of staff absence insurance.
- Improved procurement processes and internal control framework.
- Sharing of leadership expertise with other organisations generating income.
- Continued review and renegotiation of software usages and associated licences.

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 (Previously Biggleswade Academy Trust) for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the Annual Report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the 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 2015 to 31 August 2016 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;
- regular reviews by the Financial 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; 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. On a termly basis, the Internal Auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

LIFE ACADEMIES TRUST (PREVIOUSLY BIGGLESWADE ACADEMY TRUST)
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

In particular the checks carried out in the current period included:

- testing of income collection systems;
- testing of purchase systems;
- testing of banking procedures;
- review of VAT reclaims; and
- revisiting issues raised in last years external audit management letter.

The Internal Auditor delivered their schedule of works as planned and no material control issues were identified.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Principal (CEO from September 2016) 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; and
- the work of the executive managers within the School who have responsibility for the development and maintenance of the internal control framework.

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

Approved by the Board of Trustees on 24 November 2016 and signed on their behalf, by:

Mr J Dilley
Chair of Trustees

Mr S Phillips
Accounting Officer

LIFE ACADEMIES TRUST (PREVIOUSLY BIGGLESWADE ACADEMY TRUST)
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Life Academies Trust (Previously Biggleswade Academy Trust) I have considered my responsibility to notify the 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 Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2015.

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

Mr S Phillips
Accounting Officer

Date: 24 November 2016

LIFE ACADEMIES TRUST (PREVIOUSLY BIGGLESWADE ACADEMY TRUST)
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

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 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 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by the Board of Trustees on 24 November 2016 and signed on its behalf by:

Mr J Dilley, Chair
Chair of Trustees

LIFE ACADEMIES TRUST (PREVIOUSLY BIGGLESWADE ACADEMY TRUST)
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LIFE ACADEMIES TRUST (PREVIOUSLY BIGGLESWADE ACADEMY TRUST)

We have audited the financial statements of Life Academies Trust (Previously Biggleswade Academy Trust) for the year ended 31 August 2016 which comprise the Statement of Financial Activities Incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes. 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 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the 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 Members, as a body, those matters we are required to state to them in an Auditors' 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 opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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.

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 Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our Report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Trust'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

LIFE ACADEMIES TRUST (PREVIOUSLY BIGGLESWADE ACADEMY TRUST)
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LIFE
ACADEMIES TRUST (PREVIOUSLY BIGGLESWADE ACADEMY TRUST)**

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.

Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ
16 December 2016

LIFE ACADEMIES TRUST (PREVIOUSLY BIGGLESWADE ACADEMY 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 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 Life Academies Trust (Previously Biggleswade Academy Trust) during the year 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 Life Academies Trust (Previously Biggleswade Academy Trust) and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Life Academies Trust (Previously Biggleswade Academy Trust) and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Life Academies Trust (Previously Biggleswade Academy Trust) and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF LIFE ACADEMIES TRUST (PREVIOUSLY BIGGLESWADE ACADEMY TRUST)'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Life Academies Trust (Previously Biggleswade Academy Trust)'s funding agreement with the Secretary of State for Education dated 1 March 2012, 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 year 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 the 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 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 (PREVIOUSLY BIGGLESWADE ACADEMY 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 2015 to 31 August 2016 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

16 December 2016

LIFE ACADEMIES TRUST (PREVIOUSLY BIGGLESWADE ACADEMY TRUST)
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	-	91,092	1,248,422	1,339,514	584,522
Charitable activities	3	504,417	3,878,254	-	4,382,671	3,955,014
Other trading activities	4	115,852	-	-	115,852	93,343
Investments	5	847	-	-	847	385
TOTAL INCOME		621,116	3,969,346	1,248,422	5,838,884	4,633,264
EXPENDITURE ON:						
Charitable activities		119,501	4,077,245	588,887	4,785,633	4,335,271
TOTAL EXPENDITURE	6	119,501	4,077,245	588,887	4,785,633	4,335,271
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		501,615	(107,899)	659,535	1,053,251	297,993
Transfers between funds	16	-	(7,153)	7,153	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		501,615	(115,052)	666,688	1,053,251	297,993
Actuarial losses on defined benefit pension schemes	22	-	(553,000)	-	(553,000)	(35,000)
NET MOVEMENT IN FUNDS		501,615	(668,052)	666,688	500,251	262,993
RECONCILIATION OF FUNDS:						
Total funds brought forward		80,529	(779,948)	7,776,242	7,076,823	6,813,830
TOTAL FUNDS CARRIED FORWARD		582,144	(1,448,000)	8,442,930	7,577,074	7,076,823

LIFE ACADEMIES TRUST (PREVIOUSLY BIGGLESWADE ACADEMY TRUST)

(A Company Limited by Guarantee)

REGISTERED NUMBER: 07928028

**BALANCE SHEET
AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	12		7,870,491		7,349,958
CURRENT ASSETS					
Debtors	13	925,845		105,761	
Cash at bank and in hand		712,375		732,992	
		<u>1,638,220</u>		<u>838,753</u>	
CREDITORS: amounts falling due within one year	14	(457,981)		(250,025)	
NET CURRENT ASSETS			<u>1,180,239</u>		<u>588,728</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,050,730</u>		<u>7,938,686</u>
CREDITORS: amounts falling due after more than one year	15		(25,656)		(28,863)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>9,025,074</u>		<u>7,909,823</u>
Defined benefit pension scheme liability	22	(1,448,000)		(833,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>7,577,074</u></u>		<u><u>7,076,823</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	16	-		53,052	
Restricted fixed asset funds	16	8,442,930		7,776,242	
		<u>8,442,930</u>		<u>7,829,294</u>	
Restricted income funds excluding pension liability		8,442,930		7,829,294	
Pension reserve		(1,448,000)		(833,000)	
		<u>6,994,930</u>		<u>6,996,294</u>	
Total restricted income funds			6,994,930		6,996,294
Unrestricted income funds	16		582,144		80,529
			<u>7,577,074</u>		<u>7,076,823</u>
TOTAL FUNDS			<u><u>7,577,074</u></u>		<u><u>7,076,823</u></u>

The financial statements were approved by the Board, and authorised for issue, on 24 November 2016 and are signed on their behalf, by:

Mr J Dilley
Chair of Trustees

The notes on pages 23 to 39 form part of these financial statements.

LIFE ACADEMIES TRUST (PREVIOUSLY BIGGLESWADE ACADEMY TRUST)
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	As restated 2015 £
Cash flows from operating activities			
Net cash provided by operating activities	18	685,596	644,870
Cash flows from investing activities:			
Interest received		847	2,933
Purchase of tangible fixed assets		(707,060)	(17,868)
Net cash used in investing activities		(706,213)	(14,935)
Cash flows from financing activities:			
Cash inflows from new borrowing		-	32,076
Net cash provided by financing activities		-	32,076
Change in cash and cash equivalents in the year		(20,617)	662,011
Cash and cash equivalents brought forward		732,992	70,981
Cash and cash equivalents carried forward	19	712,375	732,992

LIFE ACADEMIES TRUST (PREVIOUSLY BIGGLESWADE ACADEMY TRUST)
(A Company Limited by Guarantee)

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 of financial statements

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

Life Academies Trust (Previously Biggleswade Academy Trust) constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Life Academies Trust (Previously Biggleswade Academy Trust) prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Life Academies Trust (Previously Biggleswade Academy Trust) for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 25.

1.2 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.

LIFE ACADEMIES TRUST (PREVIOUSLY BIGGLESWADE ACADEMY TRUST)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

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

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

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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

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

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

LIFE ACADEMIES TRUST (PREVIOUSLY BIGGLESWADE ACADEMY TRUST)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.6 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.

1.7 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.

1.8 Pensions

Retirement benefits to employees of the 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 Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 22, 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.

1.9 Fund accounting

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

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.

1.10 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the bank.

LIFE ACADEMIES TRUST (PREVIOUSLY BIGGLESWADE ACADEMY TRUST)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.11 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.

1.12 Cash at Bank and in hand

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

1.13 Liabilities and provisions

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

1.14 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	91,092	-	91,092	120,083
Capital grants	-	1,248,422	1,248,422	464,439
	<u>91,092</u>	<u>1,248,422</u>	<u>1,339,514</u>	<u>584,522</u>
Total donations and capital grants	<u>91,092</u>	<u>1,248,422</u>	<u>1,339,514</u>	<u>584,522</u>

In 2015, of the total income from donations and capital grants, £4,909 was to unrestricted funds and £579,613 was to restricted funds

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3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	3,074,477	3,074,477	3,072,934
Other DfE / EFA grants	-	278,623	278,623	267,093
	<u>-</u>	<u>3,353,100</u>	<u>3,353,100</u>	<u>3,340,027</u>
Other government grants				
Local authority grants	236,682	525,154	761,836	368,317
	<u>236,682</u>	<u>525,154</u>	<u>761,836</u>	<u>368,317</u>
Other funding				
Catering income	110,252	-	110,252	101,980
DEN and Nursery income	157,483	-	157,483	144,690
	<u>267,735</u>	<u>-</u>	<u>267,735</u>	<u>246,670</u>
	<u>504,417</u>	<u>3,878,254</u>	<u>4,382,671</u>	<u>3,955,014</u>

In 2015, of the total income from charitable activities, £144,690 was to unrestricted funds and £3,810,324 was to restricted funds.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Hire of facilities	48,489	48,489	38,504
Other income	45,752	45,752	54,839
Staff services consultancy	21,611	21,611	-
	<u>115,852</u>	<u>115,852</u>	<u>93,343</u>

In 2015, of the total income from other trading activities, £93,343 was to unrestricted funds and £ NIL was to restricted funds.

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	847	847	385
	<u>847</u>	<u>847</u>	<u>385</u>

In 2015, of the total investment income, £ 385 was to unrestricted funds and £ NIL was to restricted funds.

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6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	As restated Total 2015 £
Provision of Education:					
Direct costs	2,840,090	-	277,009	3,117,099	3,019,374
Support costs	610,085	606,427	452,022	1,668,534	1,315,897
	<u>3,450,175</u>	<u>606,427</u>	<u>729,031</u>	<u>4,785,633</u>	<u>4,335,271</u>

In 2016, of the total expenditure, £119,501 (2015 - £255,842) was to unrestricted funds and £4,666,132 (2015 - £4,079,429) was to restricted funds.

7. CHARITABLE ACTIVITIES

	2016 £	As restated 2015 £
Direct costs	3,117,099	3,019,374
Support costs	1,668,534	1,315,897
	<u>4,785,633</u>	<u>4,335,271</u>

	2016 £	As restated 2015 £
Analysis of support costs		
Support staff costs	566,774	543,292
Depreciation	165,124	174,220
Technology costs	79,224	73,643
Premises costs	606,427	242,514
Other support costs	232,748	262,612
Governance costs	18,237	19,616
	<u>1,668,534</u>	<u>1,315,897</u>

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned or leased by the Trust	186,527	195,374
Auditors' remuneration - audit	9,000	9,000
Auditors' remuneration - other services	2,500	2,250
	<u>198,027</u>	<u>206,624</u>

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9. STAFF COSTS

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	2,716,441	2,753,627
Social security costs	193,403	176,064
Operating costs of defined benefit pension schemes	500,424	364,500
	3,410,268	3,294,191
Supply teacher costs	39,907	16,007
Staff restructuring costs	-	21,879
	3,450,175	3,332,077

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

	2016	2015
	No.	No.
Teachers	40	41
Management	6	6
Administration and support	134	65
	180	112

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

	2016	2015
	No.	No.
In the band £ 60,001 - £ 70,000	1	0
In the band £100,001 - £110,000	1	1

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

The key management personnel of the Academy Trust comprise the Trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £527,504 (2015: £475,732).

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10. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees have been paid remuneration or has received other benefits from an employment with the Trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

S Phillips (Principal)

Remuneration £105,000-£110,000 (2015: £105,000 - £110,000)

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

E Wyatt (Trustee)

Remuneration £35,000-£40,000 (2015: £40,000-£45,000)

Employer's pension contributions paid £0-£5,000 (2015: £5,000-£10,000)

J Bull (Trustee)

Remuneration £10,000-£15,000 (2015: £10,000-£15,000)

Employer's pension contributions paid £0-£5,000 (2015: £0-£5,000)

During the period ended 31 August 2016, no expenses (2015: £659) were reimbursed or paid directly to Trustees (2015: 1 trustee).

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

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 2016 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 £
Cost					
At 1 September 2015	7,627,290	6,250	105,777	161,681	-
Additions	660,425	-	9,114	12,431	25,090
At 31 August 2016	8,287,715	6,250	114,891	174,112	25,090
Depreciation					
At 1 September 2015	384,993	2,500	50,945	112,602	-
Charge for the year	124,371	1,250	21,403	39,503	-
At 31 August 2016	509,364	3,750	72,348	152,105	-
Net book value					
At 31 August 2016	7,778,351	2,500	42,543	22,007	25,090
At 31 August 2015	7,242,297	3,750	54,832	49,079	-

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12. TANGIBLE FIXED ASSETS (continued)

	Total £
Cost	
At 1 September 2015	7,900,998
Additions	707,060
	8,608,058
Depreciation	
At 1 September 2015	551,040
Charge for the year	186,527
	737,567
Net book value	
At 31 August 2016	7,870,491
At 31 August 2015	7,349,958

13. DEBTORS

	2016 £	2015 £
Trade debtors	170,312	27,906
VAT recoverable	97,975	20,275
Other debtors	615,315	27,462
Prepayments and accrued income	42,243	30,118
	925,845	105,761

14. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Other loans	6,414	3,213
Trade creditors	11,094	59,209
Other taxation and social security	57,710	52,397
Other creditors	59,307	42,225
Accruals and deferred income	323,456	92,981
	457,981	250,025

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14. CREDITORS: Amounts falling due within one year (continued)

	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	67,680	248,630
Resources deferred during the year	148,888	67,680
Amounts released from previous years	(67,680)	(248,630)
	148,888	67,680
Deferred income at 31 August 2016	148,888	67,680

During the year ended 31 August 2016 the majority of deferred income related to the CBC Growth Fund, UFSM and trip income.

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

	2016 £	2015 £
Salix loan	25,656	28,863
	25,656	28,863

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

	2016 £	2015 £
Repayable by instalments	-	3,207
	-	3,207

The amount provided for in other loans is a Salix loan provided to the Trust by the Department for Education. This is repayable within five years.

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16. STATEMENT OF FUNDS

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Carried forward £
Unrestricted funds						
Unrestricted funds	80,529	621,116	(119,501)	-	-	582,144
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 EFA	-	120,823	(120,823)	-	-	-
Trips donations	-	84,600	(84,600)	-	-	-
Early years funding	-	228,981	(228,981)	-	-	-
Other restricted funds	-	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><u>7,076,823</u></u>	<u><u>5,838,884</u></u>	<u><u>(4,785,633)</u></u>	<u><u>-</u></u>	<u><u>(553,000)</u></u>	<u><u>7,577,074</u></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 2016.

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 DfE and EFA

This represents funding received from the DfE/EFA 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.

Catering income

This represents income from the pupils for the provision of catering in the Academy.

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.

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. Included within income is £453,237 of income for a project where the capital has been awarded however the contracts have not yet been tendered for, this is set to commence in December 2016.

Early years funding

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

Unrestricted Funds

This represents income received that does not have restrictions.

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NOTES TO THE FINANCIAL STATEMENTS
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17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	7,870,491	7,870,491	7,349,958
Current assets	1,065,781	-	572,439	1,638,220	838,753
Creditors due within one year	(457,981)	-	-	(457,981)	(250,025)
Creditors due in more than one year	(25,656)	-	-	(25,656)	(28,863)
Provisions for liabilities and charges	-	(1,448,000)	-	(1,448,000)	(833,000)
	<u>582,144</u>	<u>(1,448,000)</u>	<u>8,442,930</u>	<u>7,577,074</u>	<u>7,076,823</u>

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

	2016 £	As restated 2015 £
Net income for the year (as per Statement of Financial Activities)	1,053,251	297,993
Adjustment for:		
Depreciation charges	186,527	195,374
Interest received	(847)	(2,933)
(Increase)/decrease in debtors	(820,084)	295,125
Increase/(decrease) in creditors	204,749	(206,689)
Pension adjustments	62,000	66,000
Net cash provided by operating activities	<u>685,596</u>	<u>644,870</u>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	712,375	732,992
Total	<u>712,375</u>	<u>732,992</u>

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. CAPITAL COMMITMENTS

At 31 August 2016 the Trust had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	-	310,501

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22. 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 31 March 2013.

Contributions amounting to £59,307 were payable to the schemes at 31 August 2016 (2015 - £42,225) 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

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; 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 will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £249,321 (2015 - £236,274).

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).

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 2016 was £274,000 (2015 - £105,000), of which employer's contributions totalled £223,000 (2015 - £57,000) and employees' contributions totalled £51,000 (2015 - £48,000).

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22. PENSION COMMITMENTS (continued)

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):

	2016	2015
Discount rate for scheme liabilities	2.00 %	3.70 %
Rate of increase in salaries	3.10 %	3.50 %
Rate of increase for pensions in payment	2.10 %	2.60 %

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

	2016	2015
Retiring today		
Males	22.4	22.4
Females	24.3	24.3
Retiring in 20 years		
Males	24.4	24.4
Females	26.8	26.8

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	1,444,000	904,000
Debt instruments	188,000	243,000
Property	188,000	148,000
Cash	55,000	54,000
	<u>1,875,000</u>	<u>1,349,000</u>
Total market value of assets	<u>1,875,000</u>	<u>1,349,000</u>

The actual return on scheme assets was £252,000 (2015 - £28,000).

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

	2016 £	2015 £
Current service cost (net of employee contributions)	(254,000)	(89,000)
Net interest cost	(31,000)	(28,000)
Gains on curtailments and settlements	-	(6,000)
	<u>(285,000)</u>	<u>(123,000)</u>
Total	<u>(285,000)</u>	<u>(123,000)</u>
Actual return on scheme assets	<u>252,000</u>	<u>28,000</u>

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22. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening defined benefit obligation	2,182,000	1,948,000
Current service cost	254,000	89,000
Interest cost	86,000	75,000
Contributions by employees	51,000	48,000
Actuarial losses	750,000	16,000
Past service costs	-	6,000
	3,323,000	2,182,000
	3,323,000	2,182,000

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

	2016 £	2015 £
Opening fair value of scheme assets	1,349,000	1,216,000
Interest income	55,000	47,000
Actuarial gains and (losses)	197,000	(19,000)
Contributions by employer	223,000	57,000
Contributions by employees	51,000	48,000
	1,875,000	1,349,000
	1,875,000	1,349,000

23. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	3,226	6,739
Between 1 and 5 years	1,144	4,370
	4,370	11,109
	4,370	11,109

24. 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.

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FOR THE YEAR ENDED 31 AUGUST 2016

25. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the Academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.