

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 12
Governance Statement	13 - 17
Statement on Regularity, Propriety and Compliance	18
Statement of Trustees' Responsibilities	19
Independent Auditors' Report on the Financial Statements	20 - 22
Independent Reporting Accountant's Report on Regularity	23 - 24
Statement of Financial Activities Incorporating Income and Expenditure Account	25
Balance Sheet	26
Statement of Cash Flows	27
Notes to the Financial Statements	28 - 48

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	The Venerable Janet Mackenzie Mr J Dilley (resigned 17 June 2019) Mr G Waghorn (resigned 17 October 2019) Mr B Briars Mrs H Redding
Trustees	Mr J Dilley, Chair (resigned 17 June 2019) Mr M Berman (resigned 13 December 2018) Miss C Woodhams Mr A Dean (resigned 19 October 2018) Ms A Galea (resigned 14 September 2018) Mr G Waghorn, Vice Chair (resigned 17 October 2019) Mrs J Bull (appointed 11 July 2019) Mr C Jones, Chair (appointed 24 January 2019) Mr D Nicol (appointed 21 March 2019) Mrs C Mcguckian (appointed 25 April 2019) Miss B Dudas (appointed 21 March 2019) Ms S Flynn (appointed 21 March 2019)
Company Registered Number	07928028
Company name	Life Academies Trust
Registered and Principal Office	School House Kitelands Road Biggleswade Bedfordshire
Company Secretary	Mrs K Doyle (resigned 13 December 2018)
Accounting Officer	Ms S Flynn
Senior Leadership Team	Mr H Bunce, Associate Principal (Appointed 01/09/2019) Ms S Flynn, Academy Principal Mr M Steer, Vice Principal Mr A Whiteway, Associate Principal Mr R Monti, Associate Principal (Resigned 31/08/2019) Mrs B Wilson, Associate Principal Mrs D Huckle, Associate Principal Mrs E Wyatt, Head of Early Years

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Independent Auditors Price Bailey LLP
Chartered Accountants
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

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
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their Annual Report together with the financial statements and Auditor's Report of LIFE Academies Trust (the Trust, or the Charitable Company) for the period 1 September 2018 to 31 August 2019. The Annual Report serves the purposes of both a Trustees' Report and a Director's Report under company law.

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

During the year ended 31 August 2019, LIFE Academies Trust operated 1 Academy and a Children's Centre in Bedfordshire, England with a pupil roll of approximately 1,200 in the Summer Term 2019 school census.

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

Structure, Governance and Management Constitution

The Trust is a Company limited by guarantee and an exempt charity. The Trust'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.

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 2018-19 Academic year and from 1 September 2019.

Members' Liability

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

Trustees' Indemnities

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

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

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Method of Recruiting and Appointment or Election of Trustees

The Trustees are appointed by the Members, of which there are 3. The term of office for any Trustee is 4 years and thereafter they may be re-appointed. The make-up of the Board includes experienced professionals in areas such as HR, Finance, Law and Education, who have a detailed understanding of the operational and legal requirements of running large public and private sector institutions.

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

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

Advertising Vacancies

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

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

Policies and Procedures Adopted for the Induction and Training of Trustees

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

Organisational Structure

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

The structure consists of 3 levels: the Members, the Board of Trustees and its Committees and an Advisory Committee for Early Years (covering Biggleswade and District Children's Centre, The Academy Pre-School, Lawns Nursery Centre, Blossom Transition Class, Reception aged children).

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

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees are responsible for making major decisions about the strategic direction of the Trust, ensuring that its aims are met and its ethos is maintained. Specifically, this includes setting general policy, adopting an annual plan and budget, monitoring the Trust's financial performance and educational outcomes, making senior staff appointments and approving major investment programmes. Trustees also work with the Academy Leadership Team to ensure the efficient day to day operation of the Academy, in particular organising the teaching staff and focusing on the quality of outcomes and experiences for Children and Young People.

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

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

Arrangements for setting pay and remuneration of key management personnel

None of the Trustees receive any remuneration for their services as a Trustee.

The pay of key management personnel noted on page 1 (Leadership Group) is determined by the Board. The levels of pay are determined based on an externally moderated job evaluation.

The pay of the Principal, Vice Principals and all other Teaching staff is based on the STPCD, and is therefore related to the size of the Academy. The Trust Board authorise any increments in this range, taking into account the appraisal process conducted by an appropriately skilled external adviser and assisted by the Chair of Trustees.

There are no bonus arrangements for senior leaders.

Trades Union Facilities Time

We do not have any employees who are union representatives working for the Trust at this time, therefore we have agreed to contribute to a pooled arrangement with Central Bedfordshire. Details of this arrangement are on the Central Bedfordshire Council website.

Fundraising

The Trust only held small fundraising events during the year including Summer Fayres, Christmas fetes and non uniform days. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

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

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and Activities

Objects and Aims

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

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

Objectives, Strategies and Activities

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

- Our Vision: Improving Lives through Inspirational Education.

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

- Our Mission: Every Child, Every Day.

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

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

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

Learn:

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

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

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

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

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

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Innovate:

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

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

Flourish:

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

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

Excel:

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

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

Public Benefit

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

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

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

Strategic Report

Achievements and Performance

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

During this period, the Trust has grown from a single 500 pupil middle school to incorporate 4 previously separate schools, providing education and care for approximately 1,200 children and young people.

Last year, educational performance (detailed below) improved again at Key stage 1 and the majority of facets of Key Stage 2 alongside a number of key business and facilities improvements as follows:

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

- The completion of a successful Section 5 Ofsted, with Biggleswade Academy (including The Lawns pre-school and Academy Pre-school) receiving an overall grading of Good.
- The successful restructuring of the Trust governance to respond to the changing direction of the Trust with regards to growth.
- The successful restructuring of Trust personnel with existing roles being redesigned and re-evaluated to ensure a robust structure that is maintainable without growth.
- Effective use of additional Devolved Formula Capital Funding on IT infrastructure and hardware enabling improved service for Academy staff and curriculum resources and for Computer Science curriculum.
- The successful restructuring of Actus online performance management and appraisal tool, allowing more incisive and robust monitoring of staff performance and progress towards objectives, alongside detailed reporting tools for leaders and managers at all levels.

Educational performance

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

End of Year Outcomes — Biggleswade Academy Year 1 Phonics analysis

The overall percentage of children who achieved the required standard reduced by 8%, compared to the previous year, due, in the most part, to an influx of new pupils in the summer term.

Year 1 Phonics	Academy pass rate	National pass rate
2017	83%	81%
2018	90%	80%
2019	80%	82%

End of Key Stage 2 (Year 6) analysis

Following an improvement in outcomes in 2017, after a well-understood dip in 2016 (due to new SATs and a particularly low-ability year group), attainment improved again in 2018, but there were mixed results in 2019.

Progress through Key Stage One to Key Stage Two

Progress measure	Reading	Writing	Maths
BA cohort 2019	-3.78	-1.05	-0.88
Attainment 2019	58% (Nat 73%)	80% (Nat 78%)	78% (Nat 79%)

Progress and attainment for Reading has fallen, whilst our Writing results remain a little above national. Our Maths attainment has improved again this year and is now tracking national figures. We continue to implement a Mastery approach across all year groups and working closely with other lower schools to ensure progress is as effective as it could be at the transition point and earlier on in the year groups.

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

It must be noted that three fifths of those pupils sitting KS2 SATs at the Academy have only 18 months at the school prior to sitting the tests. As a result, it is not possible to judge progress in Key Stage 2 for three fifths of Year 6 pupils against the Academy outcomes. This statement is echoed in advice issued to inspectors prior to an Ofsted.

Year 8 Exit analysis — attainment and progress

The Year 6 outcomes for Reading for the Year 8 was 72% pass rate, pupils made good progress and finished with an 81% pass rate at the end of Year 8. Maths KS2 SATs outcomes for this year group ended up at 71% in 2017, but pupils made very good progress by the end of Year 8, reaching 86% working at the Expected level, against national data. Data in all core subjects demonstrates that a higher number of children are achieving the national standard in Year 8, when compared to their outcomes in Year 6.

Attendance 2018-19

The overall attendance for the end of the Academic year was 95.8%, very slightly below our minimum expectation of 96% and due to an increased number of parents taking children out for term time holidays in the final half term.

Key Performance Indicators

The final financial KPIs for the period were as follows;

Staff Costs to Income - 83%
Government Funding to Total Income — 95%
Cash Balances to Income - 30%
Assets vs Liabilities — 542%

Going Concern

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

Financial Review

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2019 the Trust received £5,196,872 (2018: £4,996,672) of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £5,206,304 (2018: £5,716,025) on general running costs. The funds carried forward at the end of the year are £8,879,926 (2018: £9,025,453) restricted fixed asset funding and £1,297,881 (2018: £969,786) unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £1,808,000 (2018: £1,051,000). This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Reserves Policy

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

The Trustee's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,297,881 (2018: £969,786). 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 2019 was £1,297,881 (2018: £969,786).

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £1,540,050 (2018: £1,351,972). A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow by reviewing a rolling 12 month cash flow forecast which is prepared monthly and included in the management accounts. There have been no causes for concern during the year.

Funds in deficit

The Trust's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Trust's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme and consequently the Balance Sheet shows a net liability of £1,808,000 (2018: £1,051,000). However, the deficit does not mean that an immediate liability for this amount crystallises. The contribution rate to reduce the liability is calculated by an independent Actuary.

Investment Policy

The Trustees have an investment policy which allows monies surplus to the working requirements to be invested in an account in the name of the Trust with the approved institutions authorised by the Board of Trustees. This may be a higher interest bearing account operated by the same bank that the Trust operates its current account with, or an alternative approved institution.

The Trust does not take out any long term investments until a reliable cash flow pattern has been established and monies are only paid into approved bank deposit accounts allowing access to funds within a term not exceeding 12 months.

As the Trust has maintained a healthy cash balance throughout 2018-19 it has been making appropriate short-term investments to maximise these opportunities.

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Principal Risks and Uncertainties

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

For the 2018-19 Academic year the two principle risks and uncertainties identified and recorded on this register were as follows:

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

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

- A comprehensive annual safeguarding audit is completed by both the Academy and BA Early Years leaders with their staff and Governors. This audit focusses on 12 key safeguarding areas and is then discussed at Trustee meetings to ensure the very highest standards are maintained within this crucial area. The lead Trustee for Safeguarding responsibility has professional experience of leading safeguarding within an extensive educational establishment and this adds further robustness to the process.
- All Trust staff are safeguarding trained on an annual basis and comprehensive records are kept of this work.
- All new staff joining the Trust complete their safeguarding training as part of their induction process.
- All staff are required to read and understand the latest copy of the DFE published 'Keeping Children Safe in Education' guidance and sign to acknowledge the requirements and responsibilities contained within it. Records are kept of this work.
- HR ensure that a suitable number of staff are always trained in Safer Recruitment practices and that recruitment processes are always led by a senior employee formally certificated in these practices. A comprehensive recruitment process includes a rigorous analysis of employees previous employment, analyses any gaps in work history, requires two satisfactory references to be provided and a successful application for BNS clearance.
- The Trust facilities manager prioritises the Health and safety of all staff, children and visitors and ensures all Trust facilities meet all requirements in areas such as Site Security, Fire Safety, and Asbestos Control.
- The Board of Trustees are required to have a nominated member for safeguarding whose responsibility it is to work within their area of responsibility to challenge and quality assure the work taking place within this area. Such nominated people will either have safeguarding experience from their professional lives, or will have access to additional training in order to fulfil this role effectively.

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

2. Trust Governance and Central Team Restructure: Ensuring restructure of governance and central team is with minimal disruption to the running of the Academy, whilst maintaining legal complicity. This work has included:
- Ensuring all existing processes, policies and procedures were fully compliant
 - Bringing in new policies to cover additional requirements
 - Systematizing processes to audit and quality assure ongoing compliance.
 - Ensuring thorough HR and union processes during staffing restructure.
 - Undertaking governance training to ensure all those involved with our organisation were fully appraised for the new expectations of their roles.
 - Sharing the revised structure with all stakeholders to ensure openness and transparency.

Plans for Future Periods

The Trust has 3 main areas of future focus:

1. To establish the future direction and development of the Trust, whilst recognising the change to the educational landscape.
2. Fully utilising all opportunities to network with, learn from and co-develop plans and strategies for educational improvement and development with high quality local and national MAT providers- ensuring our practice reflects the very best available at all times.
3. Continue to focus on school improvement following recent Ofsted within Biggleswade Academy and the Early Years 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 Trust's Auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by the Board of Trustees, on 13 December 2019 and signed on its behalf by:

.....
Mr C Jones
(Chair of Trustees)

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 15 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Dilley, Chair (resigned 17 June 2019)	9	11
Mr M Berman (resigned 13 December 2018)	0	0
Miss C Woodhams	7	11
Mr A Dean (resigned 18 October 2018)	0	0
Mr D Cooke	0	0
Mr S Phillips	0	0
Ms A Galea (resigned 14 September 2018)	0	0
Mr G Waghorn, Vice Chair (resigned 17 October 2019)	9	11
Mrs J Bull (appointed 11 July 2019)	5	9
Mr C Jones, Chair (appointed 24 January 2019)	13	13
Mr D Nicol (appointed 21 March 2019)	7	9
Mrs C Mcguckian (appointed 25 April 2019)	4	6
Miss B Dudas (appointed 21 March 2019)	8	9
Ms S Flynn (appointed 21 March 2019)	13	13

Ms S Flynn previously attended Board of Trustees meetings before appointment to the Board in her role as Principal.

After the appointment of Trust CEO to take up a new appointment and subsequent decision by the Trust Board to no longer continue to actively seek Trust growth, there was a resultant requirement to alter the structure of the governance structure of the Trust Board.

After a full review of the needs and purpose of the governance structure, an interim arrangement with a CEO from an established Trust was made to support the Trustees in a restructuring process. The new governance structure resulted in the dissolution of the Academy Governance Committee and Early Year Governance Committee, introduction of a Finance, Resources and Facilities Committee and a further Standards, Performance and Pay Committee.

The redirection of the Trust objectives contributed to a change in Trust leadership and the election of a new Chair and Vice Chair of the Trust Board. This resulting number of Members reduced from five to three.

Trustees completion of a monitoring programme has resulted in Trustees 'knowing' the strengths and weaknesses of the Academy and being able to act effectively to support and challenge the Principal and Senior Leadership team.

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Trustees met with the Principal and other members of the Senior Leadership Team at scheduled meetings each half term. The primary focus for each meeting is identified via the 'Annual Governance Calendar', with further items added by Trustees or the Principal in response to the School calendar. All minutes and associated documents were shared via a collaborative website (Trust Governor). The Early Years Advisory Committee (EYAC) also meet with the Head of Early Years and other members of the Senior Leadership Team at scheduled meetings each half term.

All Trustees completed a number of mandated online learning modules on areas such as Monitoring and Evaluation, Progress and Attainment Data, Governors and Ofsted and Monitoring Performance Data and Targets and are provided with weekly updates via the Central Bedfordshire 'Essential Governor' and national updates from the National Governor Association.

Trustees visited the School as part of their monitoring of the SIP and of specific issues. These visits were considered a valuable opportunity for Trustees to be able to work closely with staff members across the School.

Designated Trustees also attend termly meetings with the Academy DSP, Health and Safety Lead, SENCo, plus interviews with the School Council and accompanied 'learning walks' with members of the SLT. Formal visits were minuted and fed back to the Principal for acknowledgement or follow up. The impact of these visits included: recognising and celebrating the success of pupils and staff, monitoring policies in action, informing decision making and finding out what resources are needed and prioritise them.

Data was made available to Trustees through termly meetings with verbal and written presentations followed by question and answer sessions with the Principal, members of the Senior Management Team and Leader of Maths and/or English. As a result Trustees were able to benchmark their data against similar schools, the Local Authority and schools nationally to ensure the School's standards and expectations are high and are able to be closely scrutinised. Particular scrutiny is placed on pupils' progress across all ability groups including vulnerable groups and on the effective use of the Pupil Premium.

Trustees reviewed all relevant policies on a programmed basis to ensure that all guidance is current and up to date. Specific attention is paid to ensure that the School complies with the Department of Education mandatory policy list and the Local Authority recommended list.

The School is in a balanced financial position; staff are used efficiently to maximise learning impact and understand the need for prudent spending and this is monitored by Trustees through monthly Resources, Personnel and Finance meetings.

Governance reviews:

A full and comprehensive governance review was undertaken by an external provider in the summer term.

There was an identified need to either provide the current minute taker (as she is not a clerk) with clerking training or to recruit a fully professional Clerk to the Trustees. In order that the Board have a high quality professional clerk available to them as it is crucial to the effective functioning of the Board. Boards should set demanding standards for the service they expect from their Clerk and assure themselves that they are employing a clerk with the skills, training and knowledge required for the Board of Trustees. A Clerk to the Trustees is being actively sought.

An annual governance review will take place during summer 2020.

The Finance, Resources and Facilities Committee is a sub-committee of the Board of Trustees. Its purpose is to:

Be a delegated committee of the Board of Trustees and consists of an experienced team of Trustees with appropriate business and financial skills to support and challenge the work of the Academy leaders. The Chair of this Committee reports half termly to the Trust Board on all matters relating to financial policy and the financial arrangements, policies and arrangements for general resourcing, and on all matters relating to the staffing

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

resources of LIFE Academies Trust.

The Trustees have approved the annual budget forecast of the Academy Trust and through the FREC have reviewed our admission numbers/forecasts, cash flow forecast and a five year budget on a termly basis ensuring that we remain a 'going concern'. There is a clear strategy including limited earmarked reserves to address known future funding reductions, facilitating future financial stability. The FREC have received and approved financial statements and the external Auditor's management report and has taken action on any recommendations and have met half termly since introduction in June 2019 to review : budget monitoring reports and to approve larger expenditure items and compliance with the tender arrangements.

The Committee was involved with close collaborative work with the interim CEO, reviewing goods and services that the Trust was employing for value for money and need.

The Committee was involved with the restructuring of LIFE Academies Trust personnel, related redundancies implications and the reviewing of remaining roles and associated responsibilities. As a result, the Trust support team was reduced in size and responsibilities were either removed or redesigned in order to fit with the needs of a single academy trust rather than a trust preparing for growth.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr C Jones, Chair	1	1
Miss C Woodhams	0	1
Mr D Nichols	1	1

Review of value for money

As Accounting Officer, the Principal 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 has delivered improved value for money during the year by the following:

The Academy has ensured a continual focus on best value and understands the value of our assets and how they can be used effectively to support student achievement.

The Academy robustly supports fair competition through quotations and tenders, overseen by the FREC in accordance with its Financial Regulations. This ensures that goods and services are secured in the most economic, efficient and effective way. The Academy has introduced a formal process to ensure that there is no automatic renewal of cyclic contracts and Service Level Agreements in excess of £500. Specific areas of saving this year have included IT contracts and maintenance expenditure.

The Academy operates within an environment of continual change and is responsive to national directives and policy changes and also to local demands from our wider community. As such we acknowledge that there will always be valuable lessons to be learnt and a constant need to review our procedures and systems to ensure that value for money is at the heart of everything we do to enhance the learning opportunities for our pupils.

This statement refers to many examples of what we consider to be good practice to help us secure value for money at every opportunity. This in turn supports the work towards our School Development Plan which sets out clearly our specific objectives and the future direction of the academy. The SDP overview can be viewed on the academy's website.

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in LIFE Academies Trust for the year 1 September 2018 to 31 August 2019 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 2018 to 31 August 2019 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 Finance Resources and Facilities 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 Cambridge Multi Academy Trust as Internal Auditor.

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

- Revenue recognition, to ensure all grant funding is reconciled,
- Expenditure check to ensure expenditure is approved in accordance with finance manual and has three quotes if needed
- Ensure income and expenditure is posted in the right period.

On an annual basis, the Internal Auditor reports to the Board of Trustees through the Resources and Facilities Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The Internal Auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of the their work.

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As Accounting Officer, the Principal 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 Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by the board of Trustees on 13 December 2019 and signed on their behalf by:

.....
Mr C Jones
Chair of Trustees

.....
Ms S Flynn
Accounting Officer

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of LIFE Academies Trust I have considered my responsibility to notify Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the 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 2018.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2018.

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

Ms S Flynn
Accounting Officer
Date: 13 December 2019

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by the Board of Trustees on 13 December 2019 and signed on its behalf by:

.....
Mr C Jones
Chair of Trustees

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of LIFE Academies Trust (the 'Trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2019 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 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Trustees' Report including the Strategic Report, the Governance Statement and the Accounting Officer's Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

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

Other information (continued)

misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

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

Auditors' responsibilities for the audit of the financial statements (continued)

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

Use of our report

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 Trust's Members 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 Trust and its Members, as a body, for our audit work, for this Report, or for the opinions we have formed.

Gary Miller (Senior Statutory Auditor)
for and on behalf of
Price Bailey LLP
Date: 18 December 2019

Chartered Accountants
Statutory Auditors

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

18 December 2019

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LIFE
ACADEMIES TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by LIFE Academies Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of LIFE Academies Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of LIFE Academies Trust's funding agreement with the Secretary of State for Education dated 1 March 2012 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Academy Trust, extending the procedures required for financial statements to include regularity, propriety and compliance
- 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, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LIFE
ACADEMIES TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has 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

Date: 18 December 2019

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	-	54,684	53,219	107,903	107,019
Charitable activities	4	211,168	4,704,656	-	4,915,824	4,723,957
Other trading activities	5	167,740	-	-	167,740	162,703
Investments	6	5,405	-	-	5,405	2,993
Total income		<u>384,313</u>	<u>4,759,340</u>	<u>53,219</u>	<u>5,196,872</u>	<u>4,996,672</u>
Expenditure on:						
Charitable activities	7	20,272	4,951,340	234,692	5,206,304	5,716,025
Total expenditure		<u>20,272</u>	<u>4,951,340</u>	<u>234,692</u>	<u>5,206,304</u>	<u>5,716,025</u>
Net income/ (expenditure)		<u>364,041</u>	<u>(192,000)</u>	<u>(181,473)</u>	<u>(9,432)</u>	<u>(719,353)</u>
Transfers between funds	17	(35,946)	-	35,946	-	-
Net movement in funds before other recognised gains/(losses)		<u>328,095</u>	<u>(192,000)</u>	<u>(145,527)</u>	<u>(9,432)</u>	<u>(719,353)</u>
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	22	-	(565,000)	-	(565,000)	404,000
Net movement in funds		<u>328,095</u>	<u>(757,000)</u>	<u>(145,527)</u>	<u>(574,432)</u>	<u>(315,353)</u>
Reconciliation of funds:						
Total funds brought forward		969,786	(1,051,000)	9,025,453	8,944,239	9,259,592
Net movement in funds		328,095	(757,000)	(145,527)	(574,432)	(315,353)
Total funds carried forward		<u>1,297,881</u>	<u>(1,808,000)</u>	<u>8,879,926</u>	<u>8,369,807</u>	<u>8,944,239</u>

The notes on pages 28 to 48 form part of these financial statements.

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07928028

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	8,879,926	8,977,580
Current assets			
Debtors	14	172,854	145,177
Cash at bank and in hand		1,540,050	1,351,972
		1,712,904	1,497,149
Creditors: amounts falling due within one year	15	(330,002)	(374,955)
Net current assets		1,382,902	1,122,194
Total assets less current liabilities		10,262,828	10,099,774
Creditors: amounts falling due after more than one year	16	(85,021)	(104,535)
Net assets excluding pension liability		10,177,807	9,995,239
Defined benefit pension scheme liability	22	(1,808,000)	(1,051,000)
Total net assets		8,369,807	8,944,239
Funds of the Trust			
Restricted funds:			
Fixed asset funds	17	8,879,926	9,025,453
Pension reserve	17	(1,808,000)	(1,051,000)
Total restricted funds	17	7,071,926	7,974,453
Unrestricted income funds	17	1,297,881	969,786
Total funds		8,369,807	8,944,239

The financial statements on pages 25 to 48 were approved by the Trustees, and authorised for issue on 13 December 2019 and are signed on their behalf, by:

.....
Mr C Jones
Chair of Trustees

The notes on pages 28 to 48 form part of these financial statements.

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	19	265,822	350,522
Cash flows from investing activities	20	(77,744)	(273,413)
Change in cash and cash equivalents in the year		188,078	77,109
Cash and cash equivalents at the beginning of the year		1,351,972	1,274,863
Cash and cash equivalents at the end of the year	21	<u>1,540,050</u>	<u>1,351,972</u>

The notes on pages 28 to 48 form part of these financial statements

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

LIFE Academies Trust meets the definition of a public benefit entity under FRS 102.

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.

1.3 Income

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

• **Grants**

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

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

• **Donations**

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

• **Other income**

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

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

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**

These 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 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 Part 11, chapter 3 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.

1.6 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Long-term leasehold property	-	2%
Furniture and equipment	-	20%
Plant and machinery	-	20%
Computer equipment	-	33%

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

1.7 Debtors

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

1.8 Cash at bank and in hand

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

1.9 Liabilities

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

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.12 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.

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer 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 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.

1.13 Fund accounting

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

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

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or 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 2016 has been used by the Actuary in valuing the pensions liability at 31 August 2019. 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.

3. Donations and capital grants

	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Capital grants	-	53,219	53,219	50,843
Other donations	54,684	-	54,684	56,176
	<u>54,684</u>	<u>53,219</u>	<u>107,903</u>	<u>107,019</u>
Total 2018	<u>56,176</u>	<u>50,843</u>	<u>107,019</u>	

In 2018 income from capital grants was £50,843 of which £50,843 was restricted fixed asset funds.

In 2018 income from other donations was £56,176 of which £56,176 was unrestricted funds.

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

4. Funding for the Trust's provision of education

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	3,372,592	3,372,592	3,237,029
Other DfE / ESFA grant	-	307,940	307,940	255,075
	-	3,680,532	3,680,532	3,492,104
Other government grants				
Local Authority grant	-	1,024,124	1,024,124	1,029,108
DEN and Nursery income	-	-	-	82,771
	-	1,024,124	1,024,124	1,111,879
Other funding				
Catering income	211,168	-	211,168	119,974
	211,168	4,704,656	4,915,824	4,723,957
Total 2018	202,745	4,521,212	4,723,957	

In 2018, income from DfE/ESFA grants was £3,492,104 of which all was restricted.

In 2018, income from other governments grants was £1,111,879 of which all was restricted.

In 2018, income from catering was £119,974 of which all was unrestricted.

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Hire of facilities	93,675	93,675	84,999
Other income	74,065	74,065	77,704
	167,740	167,740	162,703

In 2018, hire facilities income was £84,999 of which all was unrestricted.

In 2018, other income was £77,704 of which all was unrestricted.

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	5,405	5,405	2,993

In 2018, the total of £2,993 of investment income was unrestricted funds.

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Provision of Education:					
Direct costs	3,298,062	-	260,087	3,558,149	3,414,823
Allocated support costs	996,521	234,190	417,444	1,648,155	2,301,202
	<u>4,294,583</u>	<u>234,190</u>	<u>677,531</u>	<u>5,206,304</u>	<u>5,716,025</u>
Total 2018	<u>4,197,420</u>	<u>535,433</u>	<u>983,172</u>	<u>5,716,025</u>	

Of total expenditure, £20,272 (2018: £259,390) related to unrestricted funds. £4,951,340 (2018: £4,818,388) related to restricted funds and £234,692 (2018: £642,247) related to restricted fixed assets funds.

In 2018, direct expenditure consisted of £3,129,657 staff costs and £285,166 other costs.

In 2018, support expenditure consisted of, £1,067,763 staff costs, £535,433 premises costs and £698,006 other costs.

8. Charitable activities

	2019 £	2018 £
Direct costs	3,558,149	3,414,823
Support costs	1,648,155	2,301,202
Total	<u>5,206,304</u>	<u>5,716,025</u>

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

	2019 £	2018 £
Analysis of support costs		
Support staff costs	996,521	1,067,763
Depreciation	212,010	233,410
Technology costs	44,084	45,716
Premises costs	234,190	535,433
Other support costs	148,250	402,086
Governance costs	13,100	16,794
Total support costs	1,648,155	2,301,202
9. Net income/(expenditure)		
Net income/(expenditure) for the year includes:		
	2019 £	2018 £
Operating lease rentals	9,976	7,240
Depreciation of tangible fixed assets	212,010	233,410
Fees paid to Auditors for:		
- audit	7,950	7,725
- other services	5,150	4,995
	12,100	12,720
10. Staff costs		
a. Staff costs		
Staff costs during the year were as follows:		
	2019 £	2018 £
Wages and salaries	3,255,614	3,184,504
Social security costs	251,693	245,672
Pension costs	772,070	762,701
	4,279,377	4,192,877
Agency staff costs	15,206	4,543
	4,294,583	4,197,420

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. Staff costs (continued)

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	44	44
Management	7	8
Administration and support	138	141
	<u>189</u>	<u>193</u>

c. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	-	1
In the band £120,001 - £130,000	-	1
	<u>-</u>	<u>1</u>

11. Trustees' remuneration and expenses

One or more Trustees has 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. The value of Trustees' remuneration and other benefits was as follows:

		2019 £	2018 £
S Phillips (resigned 31 August 2018)	Remuneration	0 - 5,000	105,000 - 110,000
	Pension contributions paid	0 - 5,000	15,000 - 20,000
Ms S Flynn (appointed 21 March 2019)	Remuneration	35,000 - 40,000	0 - 5,000
	Pension contributions paid	5,000 - 10,000	0 - 5,000
Mrs J Bull (appointed 11 July 2019)	Remuneration	0 - 5,000	0 - 5,000
	Pension contributions paid	0 - 5,000	0 - 5,000

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

12. 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 Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was included in the total insurance cost.

13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2018	9,635,817	190,904	302,409	10,129,130
Additions	23,364	64,839	48,165	136,368
At 31 August 2019	<u>9,659,181</u>	<u>255,743</u>	<u>350,574</u>	<u>10,265,498</u>
Depreciation				
At 1 September 2018	812,477	123,071	216,002	1,151,550
Charge for the year	164,963	22,012	47,047	234,022
At 31 August 2019	<u>977,440</u>	<u>145,083</u>	<u>263,049</u>	<u>1,385,572</u>
Net book value				
At 31 August 2019	<u>8,681,741</u>	<u>110,660</u>	<u>87,525</u>	<u>8,879,926</u>
At 31 August 2018	<u>8,823,340</u>	<u>67,833</u>	<u>86,407</u>	<u>8,977,580</u>

14. Debtors

	2019 £	2018 £
Trade debtors	13,386	8,898
Other debtors	98,029	90,855
Prepayments and accrued income	61,439	45,424
	<u>172,854</u>	<u>145,177</u>

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

15. Creditors: Amounts falling due within one year

	2019 £	2018 £
Salix loan	12,965	6,413
Trade creditors	9,359	42,897
Other taxation and social security	57,936	61,473
Accruals and deferred income	249,742	264,172
	330,002	374,955
	330,002	374,955
	2019 £	2018 £
Deferred income at 1 September 2018	101,492	92,865
Resources deferred during the year	147,898	101,492
Amounts released from previous periods	(101,492)	(92,865)
	147,898	101,492
	147,898	101,492

At the balance sheet date the majority of deferred income related to amounts received in advance in relation to trips, UFISM income and lettings income.

16. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Salix loan	85,021	104,535
	85,021	104,535

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2019 £	2018 £
Repayable by instalments	26,203	13,101
	26,203	13,101

The amount provided for in other loans are two Salix loans provided to the Trust by the Department for Education. One loan is repayable within 5 years and the total outstanding is £12,828 (2018 - £19,238). The loan is repayable in instalments every 6 months and bears no interest. The other Salix loan is repayable within 6 years and the total outstanding is £85,158 (2018 - £91,709). The loan is repayable in instalments every 6 months and bears no interest.

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

17. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General funds	969,786	384,313	(20,272)	(35,946)	-	1,297,881
Restricted general funds						
General Annual Grant (GAG)	-	3,349,455	(3,349,455)	-	-	-
Pupil Premium	-	153,121	(153,121)	-	-	-
SEN funding	-	223,310	(223,310)	-	-	-
Other Government grants	-	222,062	(222,062)	-	-	-
Other DfE and ESFA	-	154,819	(154,819)	-	-	-
Trips donations	-	50,504	(50,504)	-	-	-
Early years funding	-	578,752	(578,752)	-	-	-
Other restricted funds	-	27,317	(27,317)	-	-	-
Pension reserve	(1,051,000)	-	(192,000)	-	(565,000)	(1,808,000)
	<u>(1,051,000)</u>	<u>4,759,340</u>	<u>(4,951,340)</u>	<u>-</u>	<u>(565,000)</u>	<u>(1,808,000)</u>
Restricted fixed asset funds						
Restricted fixed asset funds	8,977,580	-	(234,022)	136,368	-	8,879,926
DFC	-	53,219	(670)	(52,549)	-	-
CIF	15,750	-	-	(15,750)	-	-
Local Authority	32,123	-	-	(32,123)	-	-
	<u>9,025,453</u>	<u>53,219</u>	<u>(234,692)</u>	<u>35,946</u>	<u>-</u>	<u>8,879,926</u>
Total Restricted funds	<u>7,974,453</u>	<u>4,812,559</u>	<u>(5,186,032)</u>	<u>35,946</u>	<u>(565,000)</u>	<u>7,071,926</u>
Total funds	<u><u>8,944,239</u></u>	<u><u>5,196,872</u></u>	<u><u>(5,206,304)</u></u>	<u><u>-</u></u>	<u><u>(565,000)</u></u>	<u><u>8,369,807</u></u>

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

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

17. Statement of funds (continued)

General Annual Grant (GAG)

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

Under the funding agreement with the Secretary of State, the trust was no subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

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 education needs pupils.

Other Government grants

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

Other DfE and ESFA

This represents funding received towards specific purposes, including contributions towards school trips.

Trip Donations

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

Early years funding

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

Pension reserve

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

Restricted fixed asset fund

Restricted fixed asset fund 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 purpose. Additions acquired during the year have been transferred to this fund.

Devolved formula capital (DFC)

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

Condition Improvement Fund (CIF)

This represents grants received or receivable for building improvements.

Comparative information in respect of the preceding year is as follows:

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

17. Statement of funds (continued)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
General Funds	872,113	368,441	(259,390)	(11,378)	-	969,786
Restricted general funds						
GAG	-	3,237,029	(3,237,029)	-	-	-
Pupil Premium	-	148,282	(148,282)	-	-	-
SEN funding	-	208,676	(208,676)	-	-	-
Other						
Government grants	-	273,342	(273,342)	-	-	-
Other DfE and ESFA	-	106,793	(106,793)	-	-	-
Trips donations	-	55,084	(55,084)	-	-	-
Early years funding	-	547,090	(547,090)	-	-	-
Other restricted funds	-	1,092	(1,092)	-	-	-
Pension reserve	(1,218,000)	-	(237,000)	-	404,000	(1,051,000)
	<u>(1,218,000)</u>	<u>4,577,388</u>	<u>(4,814,388)</u>	<u>-</u>	<u>404,000</u>	<u>(1,051,000)</u>
Restricted fixed asset funds						
Restricted fixed asset funds	8,934,584	-	(233,410)	276,406	-	8,977,580
DFC	-	15,973	(15,973)	-	-	-
CIF	388,656	34,870	(342,879)	(64,897)	-	15,750
Local Authority	282,239	-	(49,985)	(200,131)	-	32,123
	<u>9,605,479</u>	<u>50,843</u>	<u>(642,247)</u>	<u>11,378</u>	<u>-</u>	<u>9,025,453</u>
Total Restricted funds	<u>8,387,479</u>	<u>4,628,231</u>	<u>(5,456,635)</u>	<u>11,378</u>	<u>404,000</u>	<u>7,974,453</u>
Total funds	<u><u>9,259,592</u></u>	<u><u>4,996,672</u></u>	<u><u>(5,716,025)</u></u>	<u><u>-</u></u>	<u><u>404,000</u></u>	<u><u>8,944,239</u></u>

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	8,879,926	8,879,926
Current assets	1,712,904	-	-	1,712,904
Creditors due within one year	(330,002)	-	-	(330,002)
Creditors due in more than one year	(85,021)	-	-	(85,021)
Provisions for liabilities and charges	-	(1,808,000)	-	(1,808,000)
Total	<u>1,297,881</u>	<u>(1,808,000)</u>	<u>8,879,926</u>	<u>8,369,807</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	8,977,580	8,977,580
Current assets	1,449,276	-	47,873	1,497,149
Creditors due within one year	(374,955)	-	-	(374,955)
Creditors due in more than one year	(104,535)	-	-	(104,535)
Provisions for liabilities and charges	-	(1,051,000)	-	(1,051,000)
Total	<u>969,786</u>	<u>(1,051,000)</u>	<u>9,025,453</u>	<u>8,944,239</u>

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. Reconciliation of net expenditure to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(9,432)	(719,353)
Adjustments for:		
Depreciation	234,022	233,410
Capital grants from DfE and other capital income	(53,219)	-
Interest receivable	(5,405)	(2,993)
(Increase)/decrease in debtors	(27,677)	464,781
(Decrease)/increase in creditors	(64,467)	137,677
Pension adjustment	192,000	237,000
Net cash provided by operating activities	265,822	350,522

20. Cash flows from investing activities

	2019 £	2018 £
Interest	5,405	2,993
Purchase of tangible fixed assets	(136,368)	(276,406)
Capital grants from DfE Group	53,219	-
Net cash used in investing activities	(77,744)	(273,413)

21. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	1,540,050	1,351,972
Total cash and cash equivalents	1,540,050	1,351,972

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

22. Pension commitments

The Trust's employees belong to two principal pension schemes: the Teachers' 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 schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

The employer's pension costs paid to TPS in the year amounted to £269,076 (2018 - £241,721).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

22. Pension commitments (continued)

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £405,000 (2018 - £371,000), of which employer's contributions totalled £332,000 (2018 - £304,000) and employees' contributions totalled £ 73,000 (2018 - £67,000). The agreed contribution rates for future years are 25 per cent for employers and 5.5 - 7.5 per cent 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

	2019	2018
	%	%
Rate of increase in salaries	2.5	2.7
Rate of increase for pensions in payment/inflation	2.2	2.4
Discount rate for scheme liabilities	1.9	2.8

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	20.7	22.4
Females	23.2	24.5
<i>Retiring in 20 years</i>		
Males	21.1	24
Females	24.7	26.2

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

22. Pension commitments (continued)

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	(117,000)	(92,852)
Discount rate -0.1%	119,000	94,852
Mortality assumption - 1 year increase	190,000	35,128
Mortality assumption - 1 year decrease	(184,000)	(33,128)
CPI rate +0.1%	14,000	77,788
CPI rate -0.1%	(14,000)	(75,788)
	<u><u> </u></u>	<u><u> </u></u>

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	2,631,000	1,864,000
Corporate bonds	591,000	450,000
Property	358,000	289,000
Cash and other liquid assets	177,000	611,000
	<u><u> </u></u>	<u><u> </u></u>
Total market value of assets	<u><u>3,757,000</u></u>	<u><u>3,214,000</u></u>

The actual return on scheme assets was £95,000 (2018 - £148,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £	2018 £
Current service cost	(478,000)	(508,000)
Past service cost	(21,000)	-
Interest income	96,000	72,000
Interest cost	(121,000)	(105,000)
	<u><u> </u></u>	<u><u> </u></u>
Total amount recognised in the Statement of Financial Activities	<u><u>(524,000)</u></u>	<u><u>(541,000)</u></u>

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

22. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	4,265,000	3,913,000
Current service cost	478,000	508,000
Interest cost	121,000	105,000
Employee contributions	73,000	67,000
Actuarial losses/(gains)	561,000	(328,000)
Benefits paid	46,000	-
Past service costs	21,000	-
At 31 August	<u>5,565,000</u>	<u>4,265,000</u>

Changes in the fair value of the Trust's share of scheme assets were as follows:

	2019 £	2018 £
At 1 September	3,214,000	2,695,000
Interest income	96,000	72,000
Actuarial (losses)/gains	(4,000)	76,000
Employer contributions	332,000	304,000
Employee contributions	73,000	67,000
Benefits paid	46,000	-
At 31 August	<u>3,757,000</u>	<u>3,214,000</u>

LIFE ACADEMIES TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

23. Operating lease commitments

At 31 August 2019 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Trust 2019 £	Trust 2018 £
Not later than 1 year	7,286	5,689
Later than 1 year and not later than 5 years	9,841	4,287
	<u>17,127</u>	<u>9,976</u>

24. 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.

25. Related party transactions

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