

# **Big Life Schools**

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year Ended 31<sup>st</sup> August 2016

Company Number: 07945230

# Big Life Schools

<b>Contents</b>	<b>Page</b>
Reference and Administrative Details	3
Trustees' Report	4
Governance statement	11
Statement on Regularity, Propriety and Compliance	16
Statement of Trustees' Responsibilities	17
Independent Auditor's Report on the Financial Statements	18
Independent Reporting Accountant's Report on Regularity	20
Statement of Financial Activities incorporating Income & Expenditure Account	22
Balance Sheet	24
Statement of Cash Flows	25
Notes to the Financial Statements	26

# Big Life Schools

## Reference and Administration Details for the year ended 31 August 2016

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Members	The Big Life Company N Parveen T Javed
Directors	Karina Carter Nazia Parveen Fay Selvan (representative of the Big Life Company) Phillip Hodgett
Senior Management Team	Principal LCP – R Ahmed Principal UCP – J Lee Director of Schools - E Perry
Principle and Registered Office	1 <sup>st</sup> Floor, 463 Stretford Road Manchester M16 9AB
Company Registration Number	07945230
Bankers	Royal Bank of Scotland 38 Mosley Street, Manchester M61 0HX
Solicitors	Hill Dickinson LLP 50 Fountain Street, Manchester, M2 2AS
Auditor	BDO LLP 3 Hardman Street Spinningfields Manchester M3 3AT

# **Big Life Schools**

## **Trustees' Report**

### **for the year ended 31 August 2016**

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

The trust operates two primary schools in Manchester, Longsight Community Primary (LCP) and Unity Community Primary (UCP). LCP academy has a pupil capacity of 210 and had a roll of 181 at the most recent school census date. UCP academy has a pupil capacity of 420 and had a roll of 84 at the most recent school census date.

#### **Principle Activities**

LCP provided a Reception, Year 1, 2, 3 and 4 class for 151 pupils. There are 23 different languages spoken by children at the school and 27% of pupils had no previous education or interrupted education prior to coming to Longsight. 60% of reception children are achieving a 'Good Level of Development'. Children assessed at Key Stage One showed 74% achieving the expected level for their age; 68% in writing; and 72% in maths. Attendance is on an upward trajectory at 95.3%. Ofsted awarded the school 'Good' on inspection in 2015.

UCP was opened in September 2015 and had a Reception and mixed Year 1 and 2 class, for 53 pupils. 89% of the children have English as an additional language and 51% in the early stages of learning English. 64% of pupils have no previous education or interrupted education prior to coming to the school. On opening only 7% of pupils were achieving a Good Level of Development, but this rose to 59% at the end of the year. 65% of children achieved the required standard for Phonics, exceeding their target of 56%. Attendance is at 94.6%.

The Multi Academy Trust was formed this year to oversee both Longsight Community Primary and Unity Community Primary. It was awarded a grant from the Regional Schools Commissioner to develop its growth potential. In the year ahead it will be bidding for a third school.

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

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

The trustees of Big Life Schools are also the directors of the charitable company for the purposes of Company Law. The charitable company is known as Big Life Schools.

Details of the trustees who served during the year are included in the Reference and Administrative details on page 3.

#### **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.

#### **Indemnities**

The trust through its articles has indemnified its trustees to the fullest extent permissible by law.

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

The recruitment appointment and election of the trustees is undertaken in accordance with the Articles of Association and the Free School Funding Agreement.

#### **Policies and Procedures Adopted for the induction and Training of Trustees**

The Training and Induction provided for new Trustees will depend on their existing experience. Where necessary, induction will be provided on charity, legal and financial matters. All governors are provided with copies of policies, procedures, minutes, accounts, budgets and strategic plans that they will need to undertake their role as Governors.

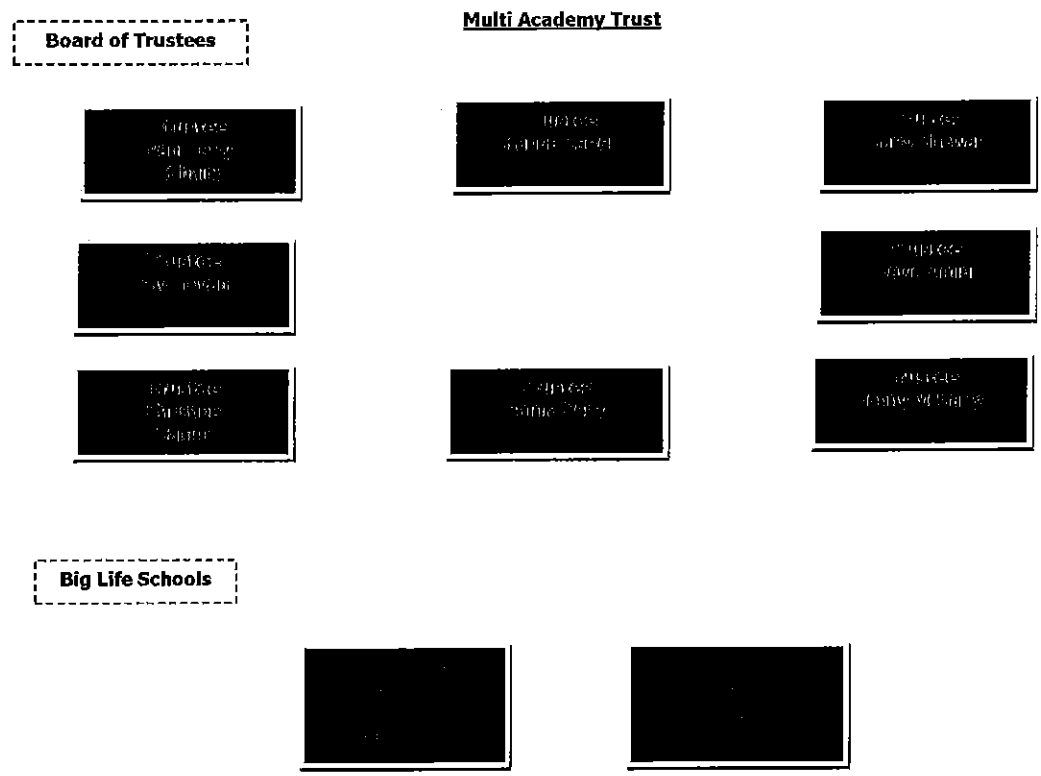
# Big Life Schools

## Trustees' Report for the year ended 31 August 2016

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### Organisational Structure

The following organisational structure was formed to take Big Life Schools into the future



### Arrangements for setting pay of key management personnel

The Trustees of the MAT do not receive remuneration from the Trust.

Other senior management are the Principals

Progression on the ISR for the Principal will be subject to a review of the Principal's performance set against the annual appraisal review.

The Governing Body may decide to award one increment for sustained high quality performance or two increments where performance has been exceptional. Where performance has not been of a sustained high quality the Governing Body may decide that there should be no pay progression.

The pay review for the Principal will be completed within the normal cycle as per date of appointment.

# Big Life Schools

## Trustees' Report

### for the year ended 31 August 2016

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#### **Arrangements for setting pay of key management personnel (continued)**

The Governing Body may consider a discretionary payment not exceeding 25% of the Principal's salary, as determined above, for reasons not already taken into account in determining the ISR, and which may include:

- The school is a school causing concern
- Without such additional payment the Governing Body considers that the school would have substantial difficulty filling a vacant Principal post
- Without such additional payment the Governing Body considers the school would have substantial difficulty retaining the existing Principal  
or
- The Principal is appointed as a temporary Principal of one or more additional schools.

In wholly exceptional circumstances the Governing Body may consider a payment in excess of 25%. In such circumstances the Governing Body will seek external independent advice.

The Governing Body may also consider additional payments in respect of:

- Continuing professional development undertaken outside the school day
- Activities relating to the provision of initial teacher training as part of the ordinary conduct of the school
- Participation in out-of-school hours learning agreed between the Principal and the Governing Body
- Additional responsibilities and activities due to, or in respect of, the provision of services by the Principal relating to the raising of educational standards to one or more additional schools
- Residential duties.

Where a Principal undertakes additional duties in school time, which in turn will bring additional income into the school, the Governing Body will determine the percentage of income to go to the Principal.

#### **Connected Organisations including Related Party Relationships**

The multi academy trust shares many staff with the Big Life Group of which the sponsor, The Big Life Company, is a corporate trustee of Big Life Schools. The transactions with these parties are disclosed in the notes to the accounts.

#### **Objectives and Activities**

##### ***Objects and Aims***

The objects of Big Life Schools is in accordance with its Articles of Association "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 a school offering a broad and balanced curriculum."

##### ***Our Vision***

**"Together we can achieve the best future for our children and parents at the heart of Big Life Schools"**

Big life schools began as a vision of local parents in Longsight and will always have parents and Children leading the growth of the school. They will be involved in all aspects of the school community their views will be listened to and valued.

##### ***Embracing Language and communication***

Big Life Schools will have a strong focus on language and communication and working with families to ensure children are confident communicators from an early age. We will celebrate and value all languages and recognise that communication and language is the foundation of children's attainment.

# Big Life Schools

## Trustees' Report

### for the year ended 31 August 2016

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#### Objectives and Activities (continued)

##### *Birth to 11 Years Approach*

Longsight Community Primary is co-located with the existing outstanding Children's Centre. This centre has provided services for the Longsight community for more than 10 years and together with Longsight Community Primary provides services that support care for and educate children from birth through to moving onto high school at 11 years old. This means you'll see the same familiar faces from the first time you visit Longsight Children's Centre to your child starting school and beyond. The same approach is the vision of Unity Community Primary which opened in September 2015.

##### *Aim*

Our schools will deliver the highest standards of education and behaviour through the community, parents, teachers and children working together. Through learning together children, parents and teachers will:

- value and enjoy education;
- aspire to achieve the best we can;
- respect and value differences;
- express common values and standards;
- help each other to learn; and
- maximise the rich opportunities that life will bring.

##### *Objective*

Big Life School's objectives for when the pupils move onto their next stage of education are that all pupils will:

- be fluent in spoken English;
- have achieved success in English, Mathematics and Science;
- be confident and competent in the use of ICT;
- be able to integrate into the expected secondary school curriculum;
- have support from parents who understand the English education system and how best they can support their children's learning;
- enjoy learning;
- have experience and understanding of the wider world;
- respect the different gifts and values that each unique individual has;
- understand that learning is a lifelong process and that their parents as well as their teachers are partners in this process;
- be creative and courageous learners;
- demonstrate respect for others through their social skills, emotional development and behaviour; and
- be able and willing to challenge themselves to change their lives for the better.

##### **Public Benefit**

The Trustees have given due consideration to Charity Commission published guidance on the operation of the public benefit requirement. The trustees confirm that they have complied with their duty in section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charities Commission.

# Big Life Schools

## Trustees' Report

### for the year ended 31 August 2016

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#### Strategic report

#### Achievements and Performance - Longsight Community Primary (LCP)

Longsight Community Primary (LCP) has completed its third year of providing Education.

- LCP now have 151 pupils on roll
- KS1 results were 8% higher than national outcomes.
- Although our Phonics check results improved on the previous year, the gap between school and national remained at 4%.
- We have moved from levels to year group attainment and tracking point progress. The Key Performance Indicators are being used at moderation meetings to judge attainment and progress and Gap Analysis meeting are focused on ensuring the pupils are secure in their learning before they move on.
- Our school Improvement calendar has ensured that the scrutiny and judgment of the quality of teaching and learning is triangulated.
- We have started the year 2016/17 with very good attendance and our current attendance is 97.2%.

#### LCP Key Challenges

- National data comparisons show that the achievement gap in EYFS has grown to 9.5%, however the makeup of the class was very different this year and transience in a one form entry Reception class had a significant impact.
- Closing the gap in Year 5 is the biggest challenge in terms of attainment and progress. We have made the decision to place an additional teaching assistant in Year 5 who is also a qualified teacher in the class to support the high outcomes and progress needed to close the gap, via small group focused teaching.
- We have started the 2016/17 year with 11 moves, of these 6 were in the Year 1 (now Year 2) class.

#### Achievements and Performance - Unity Community Primary (UCP)

Unity Community Primary (UCP) has completed its first year with 53 pupils

- EYFS progress and GLD significant achievement
- Y1 phonics result and KS1 maths results show teaching and progress very good
- Doubled the number of classes and increased NOR in classes
- Successful recruitment of teachers and teaching assistants; strong staff team
- Effective transition into the Reception class; stay and play sessions, home visits
- Significant progress of INA children last year has aided new INA children settling well into school
- Achieved UNICEF RRSa ROC and on our way to achieving Level 1 this academic year
- Parents really positive about school
- School improvement cycle embedded within school

#### Unity Key Challenges

- Workload – need more staff; TA3, 1:1 support, Senior LO, Full Time FSW, part-time admin
- Managing impact of transience of children
- Budget - Resourcing Unity with small numbers
- Recruiting staff mid-year
- Smooth operation of the school through the phases of building work
- Improving community engagement

#### Key Performance Indicators

The Trustees consider the following as key performance indicators:

- Funding is dependent on student numbers.
- Ofsted grading as a measurement of current achievement and Improvements for the future
- Investors in volunteers assessment because parents are involved in all aspects of the school community;
- Investors in people



# **Big Life Schools**

## **Trustees' Report**

### **for the year ended 31 August 2016**

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#### **Going Concern**

Longsight Community Primary completed its third full year as a school with surpluses in all years. Unity Community Primary completed its first full year as an operating school and made a profit.

Prior to opening a full seven year financial budget was submitted, prepared within the parameters from the Department of Education, and this formed the basis for the Free School Funding Agreement. On the basis of results and the planned budgets the Trustees are of the opinion that both schools of Big Life Schools have adequate resources to continue for the foreseeable future. For this reason it has adopted the going concern basis in preparing the financial statements.

#### **Financial Review**

Big Life Schools comprised two schools Longsight Community Primary (LCP) which completed its third year of being opened and Unity Community Primary (UCP) which completed its first year. In addition to the funding for the provision of education services based on pupil numbers the schools also received Restricted Capital Grants to build the school buildings. Longsight was at the end of its capital funding while Unity was constructing the main building.

The Schools received £1,429,000 in pupil related income, £80,000 for development of the schools' and £3,549,000 in Capital grants for construction, ICT and Fixtures and fittings.

The surplus for the year was £185,000 on operations to be used in future school years and £3,371,000 on capital.

#### **Reserves Policy**

The aim of Reserves is to:

- Reduce the risks to delivery and operations should income levels fall for a period.
- Allow entry into new projects and initiatives that require investment, be paid in arrears or that may not be profitable in the early periods.

#### **Reserve level**

The Trust has accumulated restricted reserves and a small level of unrestricted reserves as shown on the Balance Sheet. A reasonable reserves level is an aim of the Trust to allow its schools to respond to the changing needs of its pupils straight away. Reserves are also held to maintain the capital assets of the company when required. The Trust will make known to the EFA, its plans for accumulated reserves.

#### **Investment Policy**

At the year-end Big Life Schools used its bank balances as a current account only. The level of reserves was not at a level to allow for investments outside of the current account. The overriding policy is to ensure that funds are available when required to ensure that liabilities are met when due.

#### **Financial and Risk Management Objectives and Policies**

Big Life Schools reviewed its strategic, financial, operational and people risks on a regular basis throughout the year. The management, Committees and Board all identify and manage risks and contribute to the Risk register and the management of risk. The Risk Register identifies the key risks, the likelihood of those risks occurring, their potential impact on Longsight Community Primary and Unity Community Primary the actions taken to date and actions to be taken. Risks are prioritised using a consistent scoring system.

# Big Life Schools

## Trustees' Report

### for the year ended 31 August 2016

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#### Risk Management

The Trustees have assessed the major risks to which Big Life Schools be exposed, in particular those related to the operation and finances and are satisfied that there are systems in place to mitigate any exposure to major risks. A formal review of Risk management is undertaken on a regular basis and the key controls used by the multi academy Trust include:

- Formal agendas for all committee and board activity;
- Terms of reference for all committees;
- Comprehensive planning, budgeting and management reporting;
- An organizational structure with clear lines of reporting;
- Formal written policies;
- Clear authorization and approval levels; and
- Vetting procedures as required by law for the protection of the vulnerable.

#### Principle Risks and Uncertainties

The schools' principle risks are concerned with the delivering of education services for its pupils. The trustees have identified the principle risks as follows:

- Achieving the attendance target of 96%
- Key Stage 1 attainment particularly in reading not In line with age related expectations
- Being judged as requiring improvement by Ofsted
- Ongoing uptake of places Uptake of year one places
- The importance of appointing skilled teaching staff in future periods.

All risks including these principle risks and uncertainties will be reviewed at each Governors' meeting.

#### Plans for Future Periods

The plan for future periods is to continue to build on the good standards - established at both schools

#### Auditor

The auditor, BDO LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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.

By order of the trustees, the trustees' report, incorporating the strategic report, has been approved by:

  
Paul Ferry  
Trustee (Chair of the MAT)

Date: 19th December 2016

# Big Life Schools

## Governance Statement

### for the year ended 31 August 2016

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#### Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Big Life Schools 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 Director for schools 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 Big Life Schools 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 3 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

#### Multi Academy Trust

Trustee	Meetings attended	Out of a possible
Paul Ferry (Chair)	3	3
Karina Carter	3	3
Gary Shewan	2	3
David Amini	3	3
Fay Selvan	3	3
Emma Peny	3	3
Phil Hodgett	3	3
Jenny McGary	3	3
Christine Banim	2	3

The Board of Governors formally met 3 times (4 times at UCP) during the year

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

LCP Governor	Meetings attended	Out of a possible	UCP Governor	Meetings attended	Out of a possible
Karina Carter	3	3	Gary Shewan	3	4
Lisa Conmy	2	3	Donna Ngan	3	4
Phil Hodgett	3	3	Cheryl Hepworth	1	4
Dawn Edge	2	3	Joyce Gebelyi	2	4
Michael Watmough	3	3	Ian Simpson	3	4
Liam McDaid	2	3	Fay Selvan	4	4
Uzma Irfan	2	3	Emma Perry	4	4
Alia Ali-Beag	3	3	Karlet Manning	2	4
Gordon Nelling	2	3	Anna Satiroglu	1	3
Faizan Ahmed	2	3	Farag Edgheim	2	3
Sadia Ahmed	1	1	Leanne Bate	1	1

The Curriculum and Standards Committee were sub-committees of the main boards of Governors.

# Big Life Schools

## Governance Statement

### for the year ended 31 August 2016

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#### Governance (continued)

Its purpose is ensuring that the schools provide safe and high quality education and development programme for its children. It shall:

- Ensure a comprehensive curriculum provided
- Review the schools performance and standards
- Ensure a Behaviour Management plan is in operation and receive reports on its effectiveness
- Ensure there is an effective admissions policy and monitor its operation
- Consider any recommendations for exclusions and suspensions
- Consider appeals for admissions

Attendance at meetings in the year was as follows:

LCP	Meetings attended	Out of a possible	UCP	Meetings attended	Out of a possible
Karina Carter	2	3	Gary Shewan	0	2
Michael Watmough	3	3	Joyce Gebelyi	2	2
Liam McDaid	3	3	Karlet Manning	2	2
Alia Ali-Beag	1	1	Fay Selvan	1	1

The Wellbeing and Experience Committee is a subcommittee of the Schools' Governing Board. Its purpose is to cover the following areas:

- Pupil engagement;
- Parent engagement;
- SMSC progress and action planning;
- Behavior and safety;
- Wellbeing;
- School links;
- Staff wellbeing; and
- Resource planning.

Attendance at meetings in the year was as follows:

LCP	Meetings attended	Out of a possible	UCP	Meetings attended	Out of a possible
Karina Carter	1	1	Gary Shewan	1	1
Dawn Edge	1	1	Ian Simpson	1	1
Faizan Ahmed	1	1	Julie Connolly	1	1
Alia Ali-Beag	1	1	Anna Satiroglu	1	1
			Farag Edgheim	1	1
			Cheryl Hepworth	0	1

#### Review of Value for Money

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

# Big Life Schools

## Governance Statement

### for the year ended 31 August 2016

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#### Governance (continued)

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

- Improving educational outcomes of its students whilst operating within the financial constraints of the budget.
- Increasing collaboration between its academies, both educationally and financially, and the trust generating savings by negotiating trust wide contracts.
- Maximising third party income for its academies.
- Robust governance and oversight of Academy finances:

The Multi Academy Trusts' Directors are committed to ensuring that governance of the Multi Academy Trust's financial management is robust. The Directors and each Local Governing Body are cognisant of their responsibilities in ensuring that the Academy Trust resources are managed effectively, to support the objectives in the Multi Academy Trusts' Development Plan, whilst considering the long term development of the Multi Academy Trust. Directors, Governors, Senior Leadership Teams and staff strive for the best possible outcomes for pupils, achieved at reasonable cost.

A qualified finance team provides assurance over the suitability of, and compliance with, financial systems and controls. Its purpose is ensuring that Big life Schools has a high quality staff team and operates efficient and effective management of its financial resources. It is responsible for

- Setting budgets and monitoring financial performance
- Approving financial policies and procedures

The Standard and Effectiveness Committee (SEC), a sub-committee of the main board of Trustees is responsible for

- Approving policies relating to personnel
- Appointment of staff
- Acting on behalf of the Board in relation to personnel issues (including disciplinarys, grievances and capability processes)
- Approving an annual remuneration and performance policy and overseeing its application.

In addition to the finance and SEC, Big Life Schools used a formal tendering process for the awarding of the construction contract of a new school building this. The Multi Academy Trust's Chief Financial Officer provides monthly written financial reports to the school and regularly reviews with the principal and chair. Those reports included funding reconciliations and a full budget monitoring with commentary, thus ensuring a consistent format. A monthly consolidated report is also provided to the Chief Executive Officer which includes a review of academy funding, budget monitoring, and a Balance sheet.

All Directors and Governors are required to complete a Register of Pecuniary Interests form annually. The opportunity to declare any pecuniary interests is provided at all governors' meetings

#### **Ensuring that the Trust gains good value for money and effective and efficient use of resources**

The Multi Academy Trust takes a prudent approach to expenditure. This was the third year for Longsight (first year for Unity) as an operating school and Longsight has a high transient population so staffing structures were reviewed regularly in the year to ensure that they were fit for purpose and could adapt to the changing needs of its pupils and respond to support the attainment objectives of the Multi Academy Trust.

The Multi Academy Trust has a high proportion of skilled and experienced teaching and associate staff, who are very effectively deployed to provide best value. Teachers' performance management Governance Statement and support staff appraisal systems are in place, and HR policies, such as Managing Absence, Whistleblowing and Dignity at Work, are implemented.

The Academy Trust's payroll is maintained by BDO Chartered Accountants and detailed monthly reconciliations of payroll are undertaken by the Chief Financial Officer to ensure that payments to staff are correct.

# **Big Life Schools**

## **Governance Statement**

### **for the year ended 31 August 2016**

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#### **Ensuring that the Trust gains good value for money and effective and efficient use of resources (continued)**

The Academy Trust has one on site finance member of staff and takes advantage of its corporate membership position with The Big Life Company with which it has a service level agreement for the company's financial expertise, procedures and controls. For small but growing schools this is the most cost effective way to manage the finances of the academy. Individual budget holders are held accountable for the use of their budgets, and are helped by experienced accountants in sourcing best value.

The academy is a member of a local cluster group of schools and can procure such services as Speech and Language Therapy as a group making significant savings. For services such as catering, cleaning and caretaking Big Life Schools joined the Big Life group to negotiate contracts as part of a larger agreement thus obtaining economies of scale. Full written quotes from several suppliers were obtained before any contract was agreed.

For all purchases over £5,000, Finance were able to review, obtain sufficient information and challenge the accounting officer for all significant expenditure requests before approval to ensure that an assessment of cost and benefits were duly considered. All purchases under £5,000 should be chosen from a list of approved suppliers.

The significant income and expenditure relating to the new school building, its receipts and payments were monitored and controlled by the qualified finance team in the Big Life Company.

#### **Assessing value for money**

The Trust is committed to providing a high quality, inclusive education for all. Through regular assessment we have a clear picture of the potential and progress of every student and provide support and extension work for those students who need it. Pupils that receive pupil premium are clearly identified and their individual performance reviewed to ensure that progress attainment is achieved.

The Chief Financial Officer scrutinises the academy's budget forecast, ensuring that it complies with agreed policies and procedures, whilst challenging on spending.

Departmental and curriculum allocations are allocated to specifically meet day to day needs, thus ensuring that significant expenditure remains within the control of senior management. Careful and prudent management of financial resources has ensured that the annual expenditure budget remains within the total income received for the year.

#### **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 multi academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Big Life Schools for the year to 31 August 2016 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year to 31 August 2016 and up to the date of approval of the annual report and financial statements.

**Big Life Schools**  
**Governance Statement**  
**for the year ended 31 August 2016**

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**The Risk and Control Framework**

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor.

**Review of Effectiveness**

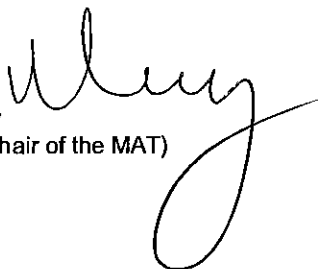
As accounting officer the chief executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the peer reviewer;
- the work of the external auditor; and
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

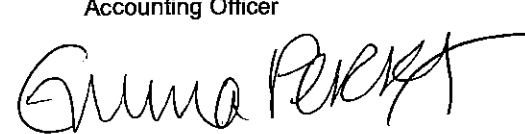
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the trustees and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 19th DECEMBER 2011 and signed on its behalf by:

**Paul Ferry**  
Trustee (Chair of the MAT)



**Emma Perry**  
Accounting Officer



# Big Life Schools

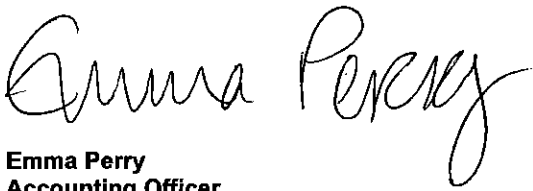
## Statement on Regularity, Propriety and Compliance for the year ended 31 August 2016

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As accounting officer of Big Life Schools I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015-16.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015-16.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



**Emma Perry**  
**Accounting Officer**

Date: 19th DECEMBER 2016



# Big Life Schools

## Statement of Trustees' Responsibilities for the year ended 31 August 2016

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The trustees (who act as governors of Big Life Schools and 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 Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial period. 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 year. In preparing these financial statements, the trustees are required to:

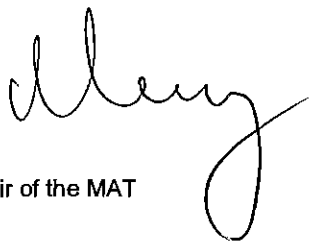
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 19th ~~DECEMBER~~ 2016 and signed on its behalf by:



**Paul Ferry**  
Trustee and Chair of the MAT

# **Big Life Schools**

## **Independent Auditor's Report to the Board of Trustees of Big Life Schools for the year ended 31 August 2016**

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We have audited the financial statements of Big Life Schools ("the Academy") for the year ended 31 August 2016 which comprise the statement of financial activities, the balance sheet, the cashflow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2015 to 2016 (SORP 2015) issued by the Education Funding Agency ("the EFA").

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 and to the trustees, as a body, in accordance with the Academies Accounts Direction 2015 to 2016 (SORP 2015). Our audit work has been undertaken so that we might state to the Academy's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy, the Academy's members as a body and the Academy's trustees as a body for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the statement of trustees' responsibilities, the trustees (who act as governors of Big Life Schools and 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. We have been appointed as auditor under the Companies Act 2006 and report in accordance with that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

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

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

In our opinion the information given in the trustees' annual report, which includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Big Life Schools**  
**Independent Auditor's Report**  
**to the Board of Trustees of Big Life Schools**  
**for the year ended 31 August 2016**

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

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

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

BDO LLP

**Hamid Ghafoor** (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Liverpool  
United Kingdom

Date 21/12/2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# **Big Life Schools**

## **Independent Reporting Accountants Report on Regularity for the year ended 31 August 2016**

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In accordance with the terms of our engagement letter dated 17 October 2016 and further to the requirements of the Education Funding Agency (EFA) as included in Part 9 of the Academies Accounts Direction 2015 to 2016 (SORP 2015), we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Big Life Schools during the year to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of Big Life Schools accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Big Life Schools funding agreement with the Secretary of State for Education dated 15 January 2013 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

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

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

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

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

The work undertaken to draw our conclusion includes an assessment of the level of risk associated with the specific categories of income and expenditure and the potential for irregularities to be identified

# Big Life Schools

## Independent Reporting Accountants Report on Regularity for the year ended 31 August 2016

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### Conclusion

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

BDO LLP

**BDO LLP**

Reporting Accountant

Liverpool

United Kingdom

Date 21/12/2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Big Life Schools

## Statement of Financial Activities for the year ended 31 August 2016

	Note	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2016 £'000	Total 2015 £'000
<b>Income from:</b>						
Donations and capital grants	2	-	-	3,549	3,549	1,211
<i>Charitable activities:</i>						
Funding for the academy trust's educational operations	3	5	1,509	-	1,514	780
Other trading activities	4	-	-	-	-	5
<b>Total</b>		<b>5</b>	<b>1,509</b>	<b>3,549</b>	<b>5,063</b>	<b>1,996</b>
<b>Expenditure on:</b>						
<i>Charitable activities:</i>						
Academy trust educational operations	6	5	1,334	149	1,488	966
Other		-	-	-	-	-
<b>Total</b>	<b>5</b>	<b>5</b>	<b>1,334</b>	<b>149</b>	<b>1,488</b>	<b>966</b>
<b>Net income/(expenditure)</b>		<b>-</b>	<b>175</b>	<b>3,400</b>	<b>3,575</b>	<b>1,030</b>
Transfers between funds	13	-	29	(29)	-	-
<b>Other recognised gains and losses</b>						
Actuarial (losses) gains on defined benefit pension schemes	13, 21	-	(19)	-	(19)	-
<b>Net movement in funds</b>		<b>-</b>	<b>185</b>	<b>3,371</b>	<b>3,556</b>	<b>1,030</b>

**Big Life Schools**  
**Statement of Financial Activities**  
**for the year ended 31 August 2016**

	Unrestricted funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2016	Total 2015
Note	£'000	£'000	£'000	£'000	£'000
<b>Reconciliation of funds</b>					
Net movement in funds	-	185	3,371	3,556	1,030
Total funds brought forward at 1 September 2015	13 26	264	3,050	3,340	2,310
<b>Total funds carried forward at 31 August 2016</b>	<b>26</b>	<b>449</b>	<b>6,421</b>	<b>6,896</b>	<b>3,340</b>

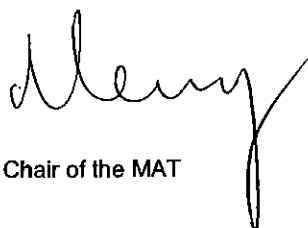
All of the academy trust's activities derive from continuing operations during the above two financial periods.

**Big Life Schools**  
**Balance Sheet**  
**as at 31 August 2016**  
**Company Number: 07945230**

	Note	2016 £'000	2016 £'000	2015 £'000	2015 £'000
<b>Fixed assets</b>					
Tangible assets	10		6,421		3,050
			6,421		3,050
<b>Current assets</b>					
Debtors	11	898		485	
Cash at bank and in hand		627		562	
		1,525		1,047	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	12	(1,029)		(756)	
<b>Net current assets</b>			496		291
<b>Total assets less current liabilities</b>			6,917		3,341
Defined benefit pension scheme liability	21		(21)		(1)
<b>Total net assets</b>			6,896		3,340
<b>Funds of the academy trust</b>					
<b>Restricted funds</b>					
Fixed asset fund	13	6,421		3,050	
Restricted income fund	13	470		265	
Pension reserve	13	(21)		(1)	
<b>Total restricted funds</b>			6,870		3,314
<b>Unrestricted income funds</b>	13		26		26
<b>Total funds</b>			6,896		3,340

The financial statements on pages 22 to 48 were approved by the trustees, and authorised for issue on

19th Dec 2016 and are signed on their behalf by:



Paul Ferry  
Trustee and Chair of the MAT



**Big Life Schools**  
**Statement of Cash Flows**  
**for the year ended 31 August 2016**

	Note	2016 £'000	2015 £'000
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	16	36	522
<b>Cash flows from investing activities</b>			
	17	29	3
		<u>65</u>	<u>525</u>
<b>Change in cash and cash equivalents in the reporting period</b>			
		<u>65</u>	<u>525</u>
Cash and cash equivalents at 1 September 2015		<u>562</u>	<u>37</u>
<b>Cash and cash equivalents at 31 August 2016</b>	18	<u>627</u>	<u>562</u>

# Big Life Schools

## Notes forming part of the financial statements for the year ended 31 August 2016

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### 1. Accounting Policies

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

#### Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), 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 (FRS102) (Charities SORP (FRS102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Big Life Schools meets the definition of a public benefit entity under FRS102.

Group accounts have not been prepared as all of the company's subsidiaries are permitted to be excluded from group accounts by virtue of sections 402 and 405 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

#### Basis of Preparation

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

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. [The trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'].

Reconciliations to previous UK GAAP for the comparative figures are included in note 24.

#### 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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

# Big Life Schools

## Notes forming part of the financial statements for the year ended 31 August 2016

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### 1. Accounting Policies (continued)

#### Income

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

##### Grants Receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

##### Donations

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

##### Other Income

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

##### Donated Services, facilities and services

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

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

# Big Life Schools

## Notes forming part of the financial statements for the year ended 31 August 2016

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### 1. Accounting Policies (continued)

#### Expenditure

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

#### Expenditure on Raising Funds

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

#### Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

#### Tangible Fixed Assets

Assets costing £3,000 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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. 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 leasehold land, at rates calculated to write-off the cost of each asset on a straight-line basis over its expected useful life, as follows:-

Long leasehold buildings	50 years
Furniture and equipment	4 years
Computer equipment	4 years

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.

# Big Life Schools

## Notes forming part of the financial statements for the year ended 31 August 2016

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### 1. Accounting Policies (continued)

#### Liabilities

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

#### Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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

#### Leased Assets

Rentals under operating leases are charged on monthly basis over the lease term.

#### Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

#### Pensions Benefits

Retirement Benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred.

# Big Life Schools

## Notes forming part of the financial statements for the year ended 31 August 2016

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### 1. Accounting Policies (continued)

#### Pensions Benefits (continued)

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 gains and losses.

#### Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

#### Critical accounting estimates and areas of judgement

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

#### *Critical accounting estimates and assumptions*

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

- Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

# Big Life Schools

## Notes forming part of the financial statements for the year ended 31 August 2016

### 1. Accounting Policies (continued)

#### Critical accounting estimates and areas of judgement (continued)

- Tangible fixed assets (see note 10)

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

#### *Critical areas of judgement*

In preparing these financial statements, the trustees have made the following judgements:

Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

The main critical areas relating to the financial statements are the overall profitability, the management of net current assets, the fixed assets value and during the year the management of financial matters within budget agreed by the Trustees. The year-end has resulted in a modest surplus for the year and maintained a positive net current assets position throughout the year to ensure that creditors are paid when due. The fixed assets position is the addition of the new school building, and depreciating the assets when they become useable. Close performance against budget is monitored by management on a monthly basis and reported to the Trustees.

### 2. Donations and capital grants

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2016 £'000	Total 2015 £'000
Capital grants	-	3,549	3,549	1,211
	-	3,549	3,549	1,211
<i>2015 analysis by fund</i>	-	1,211	-	1,211

Unity Community Primary (UCP) is a new school. The capital grant income of £3.5m is receivable to help fund the build of a new school for the students attending UCP.

# Big Life Schools

## Notes forming part of the financial statements for the year ended 31 August 2016

### 3. Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2016 £'000	Total 2015 £'000
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	-	1,273	1,273	709
Other DfE/EFA Grants	-	236	236	68
	<u>-</u>	<u>1,509</u>	<u>1,509</u>	<u>777</u>
<b>Other government grants</b>				
Local Authority Grants	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other income from the academy trust's educational operations</b>	5	-	5	3
	<u>5</u>	<u>-</u>	<u>5</u>	<u>3</u>
	<u>5</u>	<u>1,509</u>	<u>1,514</u>	<u>780</u>
<i>2015 analysis by fund</i>	-	780	-	780
	<u>-</u>	<u>780</u>	<u>-</u>	<u>780</u>

### 4. Other trading activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2016 £'000	Total 2015 £'000
Other	-	-	-	5
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>
<i>2015 analysis by fund</i>	5	-	-	5
	<u>5</u>	<u>-</u>	<u>-</u>	<u>5</u>



# Big Life Schools

## Notes forming part of the financial statements for the year ended 31 August 2016

### 5. Expenditure

	Staff Costs	Non-Pay Expenditure		Total 2016	Total 2015
	£'000	Premises £'000	Other £'000	£'000	£'000
Academy's educational operations:					
• Direct costs	753	-	118	871	569
• Allocated support costs	70	123	339	532	379
• Governance costs	-	85	-	85	17
	<u>823</u>	<u>208</u>	<u>457</u>	<u>1,488</u>	<u>965</u>

Net income/(expenditure) for the period includes:

	Total 2016 £'000	Total 2015 £'000
Depreciation	149	111
Fees payable to auditor for:		
• Audit	12	12
	<u>161</u>	<u>123</u>

### 6. Charitable Activities

	Total 2016 £'000	Total 2015 £'000
Direct costs – educational operations	871	569
Support costs – educational operations	532	379
	<u>1,403</u>	<u>948</u>

Analysis of support costs:

	Total 2016 £'000	Total 2015 £'000
Support staff costs	70	29
Depreciation	149	111
Technology costs	18	17
Premises costs	123	221
Other support costs	172	1
<b>Total support costs</b>	<u>532</u>	<u>379</u>

# Big Life Schools

## Notes forming part of the financial statements for the year ended 31 August 2016

### 6. Charitable Activities (continued)

#### Total cost analysis by Academy

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

	Teaching and Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (excl Dep'n) £'000	Total Costs £'000
Longsight Community Primary	508	39	75	201	823
Unity Community Primary	244	42	25	116	427
Big Life Schools	-	53	-	36	89
<b>Total</b>	<b>752</b>	<b>134</b>	<b>100</b>	<b>353</b>	<b>1,339</b>

### 7. Staff

#### a. Staff costs

Staff costs during the period were:

	2016 £'000	2015 £'000
Wages and salaries	748	403
Social security costs	58	21
Operating costs of defined benefit pension schemes	68	60
	<b>874</b>	<b>484</b>
Supply staff costs	4	28
	<b>878</b>	<b>512</b>

#### b. Staff numbers

The average number of persons employed by the academy during the period expressed as full time equivalents was as follows:

	2016 No.	2015 No.
Teachers	8	4
Administrations and support	26	13
Management	5	2
	<b>39</b>	<b>19</b>

# Big Life Schools

## Notes forming part of the financial statements for the year ended 31 August 2016

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### 7. Staff (continued)

#### *c. Higher paid staff*

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

	2016 No.	2015 No.
£60,001 - £70,000	2	1

#### *d. Key management personnel*

The key management personnel of the academy trust comprise the trustees and the senior management as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £339,000 (2015: £241,000).

### 8. Related party transactions – Trustees' remuneration and expenses

During the year ended 31 August 2016, £nil remuneration was paid to the trustees and travel and subsistence expenses totalling £2,000 (2015: £2,000) was paid to 9 (6) trustees.

Other related party transactions involving the trustees are set out in note 22.

### 9. Trustees and officer insurance

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

# Big Life Schools

## Notes forming part of the financial statements for the year ended 31 August 2016

### 10. Tangible Fixed Assets

	Freehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Assets under Construction £'000	Total £'000
<b>Cost</b>					
At 1 September 2015	2,468	121	221	373	3,183
Additions	5	37	103	3,375	3,520
Disposals	-	-	-	-	-
	<u>2,473</u>	<u>158</u>	<u>324</u>	<u>3,748</u>	<u>6,703</u>
At 31 August 2016	2,473	158	324	3,748	6,703
<b>Depreciation</b>					
At 1 September 2015	47	31	55	-	133
Charged in year	48	39	62	-	149
Disposals	-	-	-	-	-
	<u>95</u>	<u>70</u>	<u>117</u>	<u>-</u>	<u>282</u>
At 31 August 2016	95	70	117	-	282
<b>Net book values</b>					
At 31 August 2016	<u>2,378</u>	<u>88</u>	<u>207</u>	<u>3,748</u>	<u>6,421</u>
At 31 August 2015	<u>2,421</u>	<u>90</u>	<u>166</u>	<u>372</u>	<u>3,050</u>

# Big Life Schools

## Notes forming part of the financial statements for the year ended 31 August 2016

### 11. Debtors

	2016 £'000	2015 £'000
VAT recoverable	272	113
Other debtors	-	344
Prepayments and accrued income	626	28
	<u>898</u>	<u>485</u>

### 12. Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Trade creditors	180	555
Intercompany	41	21
Other taxation and social security	261	126
Other creditors	-	28
Accruals and deferred income	547	26
	<u>1,029</u>	<u>756</u>

#### Deferred income

	2016 £'000	2015 £'000
Deferred income at 1 September 2015	19	17
Released from previous years	(19)	(17)
Resources deferred in the period	27	19
	<u>27</u>	<u>19</u>

Deferred income is income received in the reported financial period which is intended for use within a future period. The deferred income balance at the end of the financial year was due to the academy trust holding funds received in advance for non-domestic rate bills, UIFSM funding and trips which had not yet gone ahead.

# Big Life Schools

## Notes forming part of the financial statements for the year ended 31 August 2016

### 13. Funds

	Balance at 1 September 2015 £'000	Incoming Resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2016 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	265	1,273	(1,097)	29	470
Other Grants	-	236	(236)	-	-
Pension reserve	(1)	-	(1)	(19)	(21)
	<u>264</u>	<u>1,509</u>	<u>(1,334)</u>	<u>10</u>	<u>449</u>
<b>Restricted fixed asset funds</b>					
DfE/EFA grants	3,050	3,549	(149)	(29)	6,421
	<u>3,050</u>	<u>3,549</u>	<u>(149)</u>	<u>(29)</u>	<u>6,421</u>
<b>Total restricted funds</b>	<u><u>3,314</u></u>	<u><u>5,058</u></u>	<u><u>(1,483)</u></u>	<u><u>(19)</u></u>	<u><u>6,870</u></u>
<b>Unrestricted funds</b>					
Unrestricted funds	26	5	(5)	-	26
<b>Total unrestricted funds</b>	<u><u>26</u></u>	<u><u>5</u></u>	<u><u>(5)</u></u>	<u><u>-</u></u>	<u><u>26</u></u>
<b>Total funds</b>	<u><u>3,340</u></u>	<u><u>5,063</u></u>	<u><u>(1,488)</u></u>	<u><u>(19)</u></u>	<u><u>6,896</u></u>

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

- General Annual Grant (GAG) must be used for the normal running costs of the Trust's academies.
- Other restricted funds comprise funds received from the DfE, EFA, Local Authorities and other government bodies for the use of trust development.
- Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

# Big Life Schools

## Notes forming part of the financial statements for the year ended 31 August 2016

### 13. Funds (continued)

#### Total funds analysis by academy

Fund balances at 31 August 2016 were allocated as follows:

	Balance at 31 August 2016 £'000	Balance at 31 August 2015 £'000
Longsight Community Primary	357	158
Unity Community Primary	127	113
Big Life Schools	12	20
<b>Total before fixed assets and pension reserve</b>	<b>496</b>	<b>291</b>
Restricted fixed asset fund	6,421	3,050
Pension Reserve	(21)	(1)
	<b>6,896</b>	<b>3,340</b>

### 14. Analysis of net assets between funds

Fund balances at 31 August 2016 are presented by:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	6,421	6,421
Current assets	26	1,499	-	1,525
Current liabilities	-	(1,029)	-	(1,029)
Pension scheme liability	-	(21)	-	(21)
<b>Total net assets</b>	<b>26</b>	<b>449</b>	<b>6,421</b>	<b>6,896</b>

### 15. Capital Commitments

Contracted for, but not provided for in the financial statements

	2016 £'000	2015 £'000
Purchase of tangible fixed assets	(2,211)	(728)
Capital Grants from DFE	2,211	956
	<b>-</b>	<b>228</b>

# Big Life Schools

## Notes forming part of the financial statements for the year ended 31 August 2016

### 16. Reconciliation of net income/(expenditure) to net cash inflow from operating activities

	2016 £'000	2015 £'000
Net income/(expenditure) for the reporting period	3,575	1,030
<i>Adjusted for:</i>		
Capital grants from DfE and other capital income	(3,549)	(961)
Depreciation (note 10)	149	111
Defined benefit pension scheme cost less contributions payable (note 21)	1	1
Defined benefit pension scheme finance cost (note 21)	-	-
(Increase)/decrease in debtors	(413)	(77)
Increase/(decrease) in creditors	273	418
	<hr/>	<hr/>
<b>Net cash provided by/(used in) Operating Activities</b>	<b>36</b>	<b>522</b>
	<hr/>	<hr/>

### 17. Cash flows from investing activities

	2016 £'000	2015 £'000
Purchase of tangible fixed assets	(3,520)	(958)
Capital grants from DfE/EFA	3,549	961
	<hr/>	<hr/>
<b>Net cash provided by financing activities</b>	<b>29</b>	<b>3</b>
	<hr/>	<hr/>

### 18. Analysis of cash

	At 1 September 2015 £'000	Cashflow £'000	At 31 August 2016 £'000
Cash in hand and at bank	562	65	627
	<hr/>	<hr/>	<hr/>
<b>Total cash outflow and cash equivalents</b>	<b>562</b>	<b>65</b>	<b>627</b>
	<hr/>	<hr/>	<hr/>



# Big Life Schools

## Notes forming part of the financial statements for the year ended 31 August 2016

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### 19. Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any assets for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay the EFA the same proportion of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined with reference to

- the value, at the time, of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred providing those assets was met by payments by the Secretary of State under the Funding Agreement.

### 20. Members' liabilities

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

### 21. Pension and similar obligations

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Greater Manchester Pension Fund. 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 2013.

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

#### Teachers' Pension Scheme

##### Introduction

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

# Big Life Schools

## Notes forming part of the financial statements for the year ended 31 August 2016

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### 21. Pension and similar obligations (continued)

#### Teachers' Pension Scheme (continued)

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

#### Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £71,000.

A copy of the valuation report and supporting documentation is on the Teacher's Pension website.

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

# Big Life Schools

## Notes forming part of the financial statements for the year ended 31 August 2016

### 21. Pension and similar obligations (continued)

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £14,000 (2015: £7,000), of which employer's contributions totalled £9,000 (2015: £5,000) and employees' contributions totalled £5,000 (2015: £2,000). The agreed contribution rates for future years are 16.7 per cent for employers and 3.5-7.5 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

	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.40%	4.90%
Rate of increase for pensions in payment / inflation	2.10%	2.70%
Discount rate for scheme liabilities	2.10%	3.80%
Inflation assumption (CPI)	2.10%	3.70%
Commutation of pensions to lump sums (pre Apr 08/post Apr 08)	55%/80%	55%/80%

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

	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	21.4	21.4
Females	24.0	24.0
<i>Retiring in 20 years</i>		
Males	24.0	24.0
Females	26.6	26.6

# Big Life Schools

## Notes forming part of the financial statements for the year ended 31 August 2016

### 21. Pension and similar obligations (continued)

#### Local Government Pension Scheme (continued)

The academy trust's share of the assets and liabilities in the scheme and the expected rates of return were;

	Fair value at 31 August 2016 £'000	Fair value at 31 August 2015 £'000
Equity instruments	21	8
Debt instruments	5	2
Property	2	1
Cash	1	-
<b>Total market value of assets</b>	<b>29</b>	<b>11</b>
Present value of scheme liabilities	<b>(50)</b>	<b>(12)</b>
<b>Deficit in the scheme</b>	<b>(21)</b>	<b>(1)</b>

The actual return on scheme assets was 20.1%.

# Big Life Schools

## Notes forming part of the financial statements for the year ended 31 August 2016

### 21. Pension and similar obligations (continued)

#### Amounts recognised in the statement of financial activities

	2016 £'000	2015 £'000
Current service cost (net of employee contributions)	(10)	(6)
Net interest cost	-	-
	<hr/>	<hr/>
Total operating charge	(10)	(6)
	<hr/>	<hr/>

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

	2016 £'000	2015 £'000
<b>At 1 September</b>	12	4
Current service cost	10	6
Interest cost	1	-
Employee contributions	5	2
Actuarial (gain)/loss	22	-
	<hr/>	<hr/>
<b>At 31 August</b>	50	12
	<hr/>	<hr/>

#### Changes in the fair value of academy trust's share of scheme assets:

	2016 £'000	2015 £'000
<b>At 1 September</b>	11	4
Interest income	1	-
Return on plan assets (excluding net interest on the net defined pension liability)	3	-
Employer contributions	9	5
Employee contributions	5	2
	<hr/>	<hr/>
<b>At 31 August</b>	29	11
	<hr/>	<hr/>

# Big Life Schools

## Notes forming part of the financial statements for the year ended 31 August 2016

### 22. Related party transactions

Owing to the nature of the academy trust 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 the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

The Multi Academy Trust has a Service Level Agreement with the Big Life Company Ltd, The Corporate shareholder of Big Life Schools.

In that agreement The Big Life Company supplies the central office functions including Finance, Legal, Payroll service, Communications and Marketing, Time from dedicated and qualified Management and Clerk to the Governors.

In addition to this the Big Life Company Ltd pays staff costs and invoices on behalf of the Trust.

There is no profit gained from the charges made to Big Life Schools.

All costs amounted to £1,009,000 (2015: £565,000).

Big Life Families – A member of the group headed by The Big Life Company recharged staff costs to the Trust in the year on a time proportioned basis A total of £4,000 (2015: £18,000) was paid in the year.

### 23. Central Services

The academy trust has provided the following central service to its academies during the year:

- Finance
- Legal
- Payroll services
- Communications and Marketing
- Time from dedicated and qualified management and Clerk to the Governors.

The trust charges for these services on the following basis:

A not for profit, real cost basis apportioned to the relative size of the school

The actual amounts charged during the year were as follows:

	2016	2015
	£000	£000
Longsight Community Primary	35	18
Unity Community Primary	31	22
MAT	20	-
	<u>86</u>	<u>40</u>

# Big Life Schools

## Notes forming part of the financial statements for the year ended 31 August 2016

### 24. First time adoption of FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards. Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

	Note	1 September 2014 £'000	31 August 2015 £'000
<b>Reconciliation of total funds</b>			
Total funds under previous UK GAAP		2,310	3,311
Change in recognition of LGPS	A	-	(1)
Employee benefits accrual	B	-	-
Release of deferred capital grant	C	-	30
		2,310	3,340
Total funds reported under FRS 102		2,310	3,340

	Note	31 August 2015 £'000
<b>Reconciliation of net income/(expenditure)</b>		
Net income/(expenditure) previously reported under UK GAAP		1,001
Change in recognition of LGPS interest cost	A	(1)
Employee benefits accrual	B	-
Recognition of deferred capital grant	C	30
		1,030
Net movement in funds reported under FRS 102		1,030

# Big Life Schools

## Notes forming part of the financial statements for the year ended 31 August 2016

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### 24. First time adoption of FRS 102 (continued)

#### **A – Change in recognition of LGPS interest cost**

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been a change in the defined benefit liability at 31 August 2015. The effect of the change has been to increase the liability by £1,000 and the debit expense in the SoFA by an equivalent amount.

#### **B – Recognition of outstanding employee benefits**

No provision for outstanding holiday pay was made under previous UK GAAP. Under FRS 102 the costs of short-term employee benefits are recognised as a liability and an expense. Employees are not entitled to carry forward any unused holiday entitlement at the reporting date. Therefore there are no costs of any unused entitlement to recognise as at 31 August 2015 and 31 August 2016.

#### **C – Recognition of deferred capital grant**

Under previous UK GAAP the trust deferred capital grants totalling £30,000 at 31 August 2015. Under FRS 102 this capital grant has been recognised in the period ended 31 August 2015 and the effect of the change has been to increase donations and capital grants income in the SoFA by £30,000 and increase fixed asset funds by an equivalent amount.