

Big Life Schools

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year Ended 31st August 2019

Company Number: 07945230



Big Life Schools

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Big Life Schools

Reference and Administration Details for the year ended 31 August 2019

| | |
|--|--|
| Members | The Big Life Company Nazia Parveen Tayyaba Javed Liam McDaid Matt Willis |
| Directors | Karina Carter (Chair) Edward Gale Gary Shewan Emma Perry Andrea Heffernan Fay Selvan (representative of the Big Life Company) Sandie Hayes (Appointed 1 September 2018) Philip Trohear (Appointed 1 October 2018) Lisa Brooks (Appointed 7 March 2019) |
| Company Secretary | Regina McMorrow |
| Senior Management Team | Principal LCP - R Ahmed Principal UCP – J Lee Director of Schools – K Smith Group Chief Executive and Accounting Officer–Fay Selvan Chief Finance Officer – Phil Alty |
| Principle and Registered Office | 1 st Floor, 463 Stretford Road Manchester M16 9AB |
| Company Registration Number | 07945230 |
| Bankers | Royal Bank of Scotland 38 Mosley Street, Manchester M61 0HX Beever and Struthers St George's House 215/219 Chester Road Manchester M15 4JE |

Big Life Schools

Trustees' Report

for the year ended 31 August 2019

The trustees present their annual report together with, the financial statements and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. 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 210 at the most recent school census date. UCP academy has a pupil capacity of 210 (school will eventually have a capacity of 420) and had a roll of 202 at the most recent school census date (May 2019).

Principle Activities

LCP provided a Reception and Years 1-6 class for 210 pupils. There are 19 different languages spoken by children at the school. 61% of Early Year Foundation Stage children are achieving a 'Good Level of Development' (2018:66%) Children assessed at Key Stage One showed they were achieving the expected level for their age; 70% in reading 60% in writing; and 70% in maths. Attendance was at 96.2 % (208: 96.1%). Ofsted awarded the school 'Good' on inspection in 2019.

UCP provided classes for 210 children from Reception to Year 5 with two classes in reception. In addition the school had 104 children (aged 2-4 years) in its nursery. In the school over 95% of children are from ethnic minorities: 85% had English as an additional language (EAL) and children were exposed to 30 home languages. At the end of the Early Years Foundation Stage (EYFS) 62% (2018:60%) were achieving a Good Level of Development. At the end of Key Stage One results showed that 60% of children were working at Age Related Expectation. Attendance in reading, 50% in Writing and 63% in Maths. Attendance at the school was 95.5% (2018: 95.5%). During April 2018 UCP was inspected by Ofsted and judged to be 'Good'.

Structure, Governance and Management Constitution

The Multi Academy Trust (MAT) is a separate individual 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 MAT is a subsidiary of the Big Life group of social enterprises and charities.

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. The Trust Board comprises of 9 Trustees from a range of professional backgrounds and experiences. Trustees are recruited according to their skillsets, experience and ability to contribute to the strategic leadership of the Trust.

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 2019

Organisational Structure

Trustees are responsible for setting and monitoring the strategic objectives, general policies, budgets and capital expenditure of the Trust.

The Senior Management Team (including the Accounting Officer) as detailed on page 3 implement the policies laid down by the Trustees and report back to them.

In addition MAT Trustees are further supported by individual school's Local Governing Bodies (LGB) that ensure each school's unique character and links with the local community are maintained. A representative from the Board attends each LGB to offer support and guidance. The Governor's role on the LGB is to monitor the individual school's approach to learning and ensure policies are implemented and applied effectively

Day to day operational management is delegated to the school principal supported by the senior management team.

A MAT Trustee sits on the Big Life Group Audit Committee which provides a governance overview of Big Life Schools

Arrangements for setting pay of key management personnel

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

Key Management Personnel comprise of the Senior Management Team identified on page 3 and include the Principals. The rules for determining the pay of Principals is laid down in School Teachers Pay and Conditions document (STPC).

The Governing Body may consider, (but as yet have not made), a discretionary payment not exceeding 25% of the Principal's salary, as determined above, for reasons not already taken into account in determining the Individual Student Record 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.

Big Life Schools

Trustees' Report

for the year ended 31 August 2019

Trade Union Facility Time

Big Life Schools has a Trade Union recognition agreement with all the main teaching and support staff unions. At present we do not have any trade union representatives within school, however we liaise with the unions on a regular basis to ensure that any changes/amends required are consulted with effectively.

Trade Unions have visited both schools and enquired with staff about identifying a trade union representative, however none have been forthcoming. Should an employee wish to become a trade union representative we would discuss this in partnership with the employee and trade union.

Connected Organisations including Related Party Relationships

The MAT operates in partnership and co-operation with the Big Life Company who provide staff and other resources at cost. The Big Life Company is a corporate trustee of Big Life Schools and transactions between these parties are fully disclosed in the notes 21 & 22 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 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.

Objectives and Activities (continued)

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.

Big Life Schools

Trustees' Report

for the year ended 31 August 2019

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.

Strategic report

Achievements and Performance - Longsight Community Primary (LCP)

Longsight Community Primary completed its fifth full year as a school with 210 pupils on the roll and its main achievements during the year were

- Our first Year 6 children completed their Standard Assessment Tests (SATs). It was a very smooth and calm process. The children were incredibly resilient and positive about the whole experience. Although our attainment was well below national standards, our progress data was positive in all three subjects, which is a reflection of all the hard work and commitment of the Year 6 team. Reading 68% (+2.0 progress), writing 64% (+2.0 progress), Maths 93% (+1.3 progress), combined 53%
- Our Good Level of Development (GLD) outcomes were 61% meeting expected outcomes which dropped from last year (-5%). It was a very difficult year for all staff and children following the death of the teacher, however, we saw a significant rise in exceeding outcomes in reading.
- We improved outcomes in the Year 1 phonics screening by 17%. We have now adopted the Read Write Inc programme and hope to continue this journey of improvement
- Our well-being programme has been further embedded. We have a tiered approach to support from a universal pastoral curriculum to small group programmes following Leuven's scale assessments to 1-1 nurture support.

LCP Key Challenges

- High transience in Year 4 has meant that outcomes in Year 4 were lower than expected.
- Long term staff absence has been a significant issue leading to a lack of flexibility in staffing.
- Term time holidays have again impacted on attendance and outcomes with 25 children taking unauthorised holidays which totalled 188 school days lost.

Big Life Schools

Trustees' Report for the year ended 31 August 2019

LCP Key Priorities for 2019/20

LCP priorities for next year are noted in the table below

| Quality of Education | Behaviour and Attitudes |
|---|--|
| <ul style="list-style-type: none"> Continue to diminish the difference in outcomes for all pupils with a focus on PP and SEN pupils. To diminish the difference with National Standards in the Early Years. Implementation of core subject schemes, including Pathways to Write. Ensure learning environment is accessible to all learners including SEND/EAL/INA Develop T&L of sports and PE. Development of Big Life curriculum. Ensure that training is provided for subject delivery including core subjects both for teachers and support staff. Develop 'Learning outside the Classroom' | <ul style="list-style-type: none"> Develop a new classroom behaviour for learning system in consultation with staff and children. Ensure that this links back to BL values and RRSA. Further develop the Growth Mindset language, including active talk. Evaluate current well-being programmes for universal, targeted and high level support. Implement parent workshops to support behaviour and routines at home with a focus on healthy lifestyles. To improve attendance of PP and SEND pupils. |
| Personal Development | Effectiveness of Leadership & Management |
| <ul style="list-style-type: none"> Personal Development Review our well-being strategy and ensure we link all health and well-being work with Manchester Healthy Schools. SRE Policy development and implementation. Engage Parents/Community in the decision making process. Further develop celebrating diversity opportunities and link to RRSA through events. Embed the RRSA with a focus on curriculum and pupil voice. Develop career pathway opportunities for children in KS2 | <ul style="list-style-type: none"> Revise linked governors. Regular focused visits to take place for core subjects, curriculum, SEND and safeguarding (statutory). Continue the implementation and roll out of Coaching Trios. Develop subject knowledge of middle leaders. To ensure we have well-being opportunities for staff. Implement TA workforce training and development plan. |

Achievements and Performance - Unity Community Primary (UCP)

Unity Community Primary (UCP) has completed its fourth year with 202 pupils on the roll and its main achievements during the year were

- Started the year with 180 on roll and 30 places available, finished with 204 and only 6 spaces, all in Reception. There are 54 children on the list for Reception in 2019/20.
- The development of practice across the EYFS and the impact this has had on school readiness.
- Guided reading training and implementation in the EYFS
- Parental engagement
- Effective staff – great team work as all share vision and values
- Forest School – successful pilot run with all children accessing
- Children's involvement in the Pupil Parliament and local dog fouling campaign
- Improving statutory outcomes; KS1 Greater depth levels at national average (Reading and Maths)
- Good progress of all children – closely tracked groups
- Pastoral curriculum and well-being offer; tracking of well-being, provision map for pastoral interventions

Big Life Schools

Trustees' Report

for the year ended 31 August 2019

UCP Key Challenges

UCP addressed the following challenges

- Transience and the impact it has on attainment, progress and targets (70 moves in the year- 34% whole school. Y1 = 60% and Y4 = 50%)
- Managing the space in school to accommodate the nursery.
- High levels of SEN – underfunded. Exclusion.
- Staffing levels in school; The needs of some individual children require 1:1 support and this impacts on teaching and learning.
- High level of Safeguarding needs
- Attendance; Persistent Absence which included extended holidays and 2 days at approximately 50% for Eid
- High level of recruitment; 4 new teachers, 2 x TAs and FSW

UCP Key Priorities for 2019/20

UCP priorities for next year are noted in the table below

| Effectiveness of Leadership and Management | Quality of Teaching, Learning and Assessment |
|---|--|
| <ul style="list-style-type: none"> • To develop subject leadership; annual cycle for leaders, action plan writing training • To further develop the teaching assistant workforce • Create a governing body action plan to improve its effectiveness • To further engage parents and the community in all aspects of school • To develop staff well-being to impact on retention of staff • To further develop extra-curricular activities offered to children | <ul style="list-style-type: none"> • Raise attainment in all year groups to narrow the gap between Unity and national averages • To narrow the attainment gap for identified vulnerable groups; SEN, EAL, FSM, LAC through the effective use of Pupil Premium Grant • Develop writing across school to improve outcomes • Develop a BLSchools' curriculum across the MAT • Further develop assessment processes |
| Personal Development, Behaviour and Welfare | Behaviour and Attitudes |
| <ul style="list-style-type: none"> • Develop transition procedures with High Schools • Develop RSE policy and practices • Achieve RRSA Gold • Develop a family engagement plan • Offer more parent workshops with a focus on physical and mental health • Safeguarding CPD with a focus on e-safety • Further develop pupil voice through class representatives, school council and Head boy/girl | <ul style="list-style-type: none"> • Embed a calm and orderly environment across school • Review behaviour policy to ensure consistent routines and expectations with all new staff • Improve attendance and punctuality and reduce PA figures to be in line with national averages • Develop e-safety practices to ensure appropriate online behaviour • Improve playtimes through staff training and development of the playground • Further develop restorative behaviour practices across the school |

Performance Indicators

The Trustees consider the following as key performance indicators:

- Student Numbers - Funding is dependent on student numbers and is monitored as part of internal financial reporting.
- Ofsted grading as a measurement of current achievement and Improvements for the future – UCP's inspection in April 2018 achieved Good grading with outstanding features in Personal Development and Welfare. LCP's inspection in 2015 also achieved a Good grading.
- Big Life School's Accreditation for Investors in volunteers was renewed and evidences the involvement of parents in all aspects of the school community.

Big Life Schools

Trustees' Report

for the year ended 31 August 2019

Going Concern

Longsight Community Primary completed its fifth full year as a school with surpluses in all years. Unity Community Primary completed its fourth full year as an operating school and made a surplus. 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 is made up of two schools Longsight Community Primary (LCP) and Community Primary (UCP). Total income for the year amounted to £2,968,000 and the surplus on operations (excluding fixed asset funds) for the year was £36,000 which will be used in future school years.

The deficit for the year on Fixed Asset Funds was £192,000.

The Balance Sheet shows net assets of £8,137,000 (2018: £8,385,000). Liquidity remains strong with cash balances amounting to £917,000 (2018: £889,000).

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 reviewed its target reserves in November 2019 and set a target of minimum free reserves of £525,000. The level of free reserves (excluding fixed asset reserves and pension deficit) at the year end was £741,000. Plans for the use of surplus reserves have been developed which include capital investment to the buildings at Longsight and Unity schools.

Investment Policy

At the year-end Big Life Schools used its bank balances as a current account only. 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 reviews 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.

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Trustees' Report

for the year ended 31 August 2019

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%
- Achieving educational outcomes in classes with high transience
- Being judged as requiring improvement by Ofsted
- Growing to two form entry in UCP – Early pupil numbers for 2019 indicate this risk has diminished
- The importance of appointing skilled teaching staff in future periods
- That buildings and external environments meet the needs of schools and nurseries.

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 and includes:

- Refurbishment at Longsight to create more learning environments and an improved shared reception with the children's centre.
- The extension to UCP to provide for enhanced facilities.
- The appointment of a teacher to specifically lead on curriculum development across both schools.

Auditor

The auditor, Beever and Struthers, 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 board of trustees on 13 December 2019, the trustees' report, incorporating the strategic report, has been approved by:



Andrea Heffernan
Trustee

Date: 13/12/19

Big Life Schools

Governance Statement

for the year ended 31 August 2019

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 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

MAT Trustees formally met 3 times during the year. In addition the Local School Governors Boards (which included at least one MAT Trustee) also met 3 times to support effective oversight of funds.

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

| Trustee | Meetings attended | Out of a possible |
|-----------------------|-------------------|-------------------|
| Karina Carter (Chair) | 3 | 3 |
| Gary Shewan | 1 | 3 |
| Fay Selvan | 3 | 3 |
| Emma Perry | 3 | 3 |
| Andrea Heffernan | 3 | 3 |
| Edward Gale | 2 | 3 |
| Sandie Hayes | 1 | 3 |
| Phil Trohear | 2 | 2 |
| Lisa Brooks | 1 | 1 |

Board of Governors

The School's Board of Governors formally met 3 times during the year

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

| LCP Governor | Meetings attended | Out of a possible | UCP Governor | Meetings attended | Out of a possible |
|--------------------|-------------------|-------------------|-----------------|-------------------|-------------------|
| Emma Perry | 3 | 3 | Gary Shewan | 2 | 3 |
| Liam McDaid | 3 | 3 | Matt Willis | 2 | 3 |
| Dawn Edge | 0 | 3 | Ian Simpson | 2 | 3 |
| Alia Ali-Beag | 2 | 3 | Fay Selvan | 3 | 3 |
| Gordon Nellings | 2 | 3 | Gary Norton | 1 | 2 |
| Taha Hussain | 1 | 2 | Farag Edgheim | 1 | 1 |
| Matthew Sandiford | 2 | 2 | Farheen Bizzari | 2 | 3 |
| Susan Parker-Stone | 3 | 3 | Katy Burton | 3 | 3 |
| Sadia Ahmed | 2 | 2 | Nia Stock | 1 | 3 |

Big Life Schools

Governance Statement

for the year ended 31 August 2019

Governance (continued)

The **Standards and Effectiveness Committee (SEC)** is a sub-committee of the main boards of Governors.

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 Governor | Meetings attended | Out of a possible | UCP Governor | Meetings attended | Out of a possible |
|---------------------|--------------------------|--------------------------|---------------------|--------------------------|--------------------------|
| Emma Perry | 1 | 1 | Gary Shewan | 1 | 1 |
| Liam McDaid | 3 | 3 | Matt Willis | 3 | 3 |
| Alia Ali-Beag | 3 | 3 | Fay Selvan | 1 | 1 |
| Susan Parker-Stone | 1 | 1 | Gary Norton | 1 | 2 |
| | | | Farag Edgheim | 1 | 3 |
| | | | Farheen Bizzari | 1 | 2 |
| | | | Nia Stock | 1 | 2 |

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 Governor | Meetings attended | Out of a possible | UCP Governor | Meetings attended | Out of a possible |
|---------------------|--------------------------|--------------------------|---------------------|--------------------------|--------------------------|
| Emma Perry | 2 | 3 | Gary Norton | 2 | 2 |
| Dawn Edge | 3 | 3 | Fay Selvan | 2 | 2 |
| Gordon Nellings | 3 | 3 | Katy Burton | 3 | 3 |
| | | | Ian Simpson | 2 | 3 |

Big Life Schools

Governance Statement

for the year ended 31 August 2019

Governance (continued)

Review of Value for Money

The Accounting Officer has responsibility for ensuring that the MAT delivers good value in the use of public resources. The Senior Management Team understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- 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

In addition to the Finance Committee, Big Life Schools used a formal tendering process for the awarding of the construction contract of a new school building this. The MAT's Chief Financial Officer provides monthly written financial reports to the school and regularly reviews with the principals 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 Group Chief Executive and Director of Schools which includes a review of academy funding, budget monitoring, and a Balance sheet. The MAT Board of Trustees also receives management accounts at its meetings. It is responsible for approving the budget and staffing structures.

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 MAT takes a prudent approach to expenditure and has an embedded Scheme of Financial Delegation and Financial Procedures that are supported by a formal purchase order system (EReq) to ensure that all expenditure is within appropriate limits. 2018-19 was the fifth year of operation for Longsight and the third year for Unity.

Unity has a high transient population so staffing structures are reviewed regularly in the year to ensure that they were fit for purpose and appropriate to the changing needs of its pupils and respond to support the attainment objectives of the MAT.

The MAT 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.

Big Life Schools

Governance Statement

for the year ended 31 August 2019

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

The MAT's payroll is now in-house and operated payroll by the Big Life Company Ltd and detailed monthly reconciliations of payroll are undertaken by the Chief Financial Officer to ensure that payments to staff are correct.

Each school has an on-site finance member of staff and takes advantage of its corporate membership position with The Big Life Company. The schools have a service level agreement with Big Life Company to provide financial expertise, establish procedures and ensure robust internal control. The services provided by Big Life Company are at cost and it is viewed that this remains 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 MAT 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 MAT 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 Finance 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.

Governance Review - Effectiveness

The MAT assesses its effectiveness on an on-going basis by means of conducting Annual appraisals of trustees, Skills audits and formulating and monitoring Board development plan. During the year two new MAT Trustees and three new governors for Local governing Bodies were appointed to meet identified skills gaps. Additionally Board Development Plans identified training to be undertaken. Board Strategy and Forward View events were held to further assess and embed the strategic direction of the MAT.

The MAT formally meet 3 times a year and in addition Local Schools Board which report to the MAT board also meet 3 times a year. At least one MAT Board member is also a member of the Local Schools Board. This arrangement ensures that effective oversight of funds is achieved.

Big Life Schools

Governance Statement

for the year ended 31 August 2019

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 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the 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 2018 and up to the date of approval of the annual report and financial statements.

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. However the trustees have appointed Andrea Heffernan, a trustee, to carry out a programme of internal checks

The internal reviewer's role included giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included:

- Review of payroll systems
- Review of Pupil Premium arrangements
- Review of general control environment

The internal reviewer reported to the Audit Committee and there were no material control issues arising from the review work.

Big Life Schools
Governance Statement
for the year ended 31 August 2019

Review of Effectiveness

The Accounting Officer 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 Senior Management Team have 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 13 December 2019 and signed on its behalf by:



Andrea Heffernan
Trustee



Fay Selvan
Accounting Officer

Big Life Schools

Statement on Regularity, Propriety and Compliance for the year ended 31 August 2019

As accounting officer of Big Life Schools I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the 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 2018.

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



Fay Selvan
Accounting Officer

Date: 13 December 2019

Big Life Schools

Statement of Trustees' Responsibilities for the year ended 31 August 2019

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 2015 and the Academies Accounts Direction 2018 to 2019
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 13th December 2019 and signed on its behalf by:



Andrea Heffernan
Trustee

Big Life Schools
Independent Auditor's Report
to the Board of Trustees of Big Life Schools
for the year ended 31 August 2019

Independent Auditor's Report to the Members of Big Life Schools

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Big Life Schools
Independent Auditor's Report
to the Board of Trustees of Big Life Schools
for the year ended 31 August 2019

Independent Auditor's Report to the Members of Big Life Schools (continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19 the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Big Life Schools
Independent Auditor's Report
to the Board of Trustees of Big Life Schools
for the year ended 31 August 2019

Independent Auditor's Report to the Members of Big Life Schools (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members 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 trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Sue Hutchinson (Senior Statutory Auditor)
For and on behalf of Beever and Struthers, Statutory Auditor
Beever and Struthers
St George's House
215-219 Chester Road
Manchester
M15 4JE

Date: 19/12/19

Big Life Schools

Independent Reporting Accountants Assurance Report on Regularity for the year ended 31 August 2019

In accordance with the terms of our engagement letter dated 3 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Big Life Schools during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Big Life Schools and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Big Life Schools and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Big Life Schools and ESFA, 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 School's funding agreements with the Secretary of State for Education dated 20 March 2015 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- Review and testing of financial systems of internal control
- Sample testing of transactions
- Discussions with management

Big Life Schools

Independent Reporting Accountants Assurance Report on Regularity for the year ended 31 August 2019

Independent Reporting Accountant's Assurance Report on Regularity to Big Life Schools and the Education & Skills Funding Agency (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Beever and Struthers

Sue Hutchinson
Reporting Accountant
Beever and Struthers
St George's House
215-219 Chester Road
Manchester
M15 4JE

Date: 19/12/19

Big Life Schools

Statement of Financial Activities for the year ended 31 August 2019

| | | Unrestricted funds | Restricted General Funds | Restricted Fixed Asset Funds | Total 2019 | Total 2018 |
|--|--------|-----------------------|--------------------------------|---------------------------------------|---------------|---------------|
| | Note | £'000 | £'000 | £'000 | £'000 | £'000 |
| Income from: | | | | | | |
| Donations and capital grants | 2 | - | - | 79 | 79 | 15 |
| <i>Charitable activities:</i> Funding for the academy trust's educational operations | 3 | 104 | 2,785 | - | 2,889 | 2,667 |
| Total | | 104 | 2,785 | 79 | 2,968 | 2,682 |
| Expenditure on: | | | | | | |
| Transfer on Conversion | 25 | - | - | - | - | 3 |
| <i>Charitable activities:</i> Academy trust educational operations | 4,5 | 89 | 2,764 | 271 | 3,124 | 2,859 |
| Other | | | | | | - |
| Total | 4,5 | 89 | 2,764 | 271 | 3,124 | 2,862 |
| Net income/(expenditure) | | 15 | 21 | (192) | (156) | (180) |
| Transfers between funds | 13 | | (126) | 126 | - | - |
| Other recognised gains and losses | | | | | | |
| Actuarial (loss)/gain on defined benefit pension schemes | 12, 20 | - | (92) | - | (92) | 28 |
| Net movement in funds | | 15 | (197) | (66) | (248) | (152) |

Big Life Schools

Statement of Financial Activities for the year ended 31 August 2019

| | | Unrestricted funds | Restricted General Funds | Restricted Fixed Asset Funds | Total 2018 | Total 2017 |
|--|------|-----------------------|--------------------------------|---------------------------------------|---------------|---------------|
| | Note | £'000 | £'000 | £'000 | £'000 | £'000 |
| Reconciliation of funds | | | | | | |
| Net movement in funds | | 15 | (197) | (66) | (248) | (152) |
| Total funds brought forward at 1 September 2018 | 13 | 100 | 669 | 7,616 | 8,385 | 8,537 |
| Total funds carried forward at 31 August 2019 | | 115 | 472 | 7,550 | 8,137 | 8,385 |


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

The notes on pages 29 to 51 form part of these accounts.

Big Life Schools
Balance Sheet
as at 31 August 2019
Company Number: 07945230

| | Note | 2019 £'000 | 2019 £'000 | 2018 £'000 | 2018 £'000 |
|--|------|---------------|---------------|---------------|---------------|
| Fixed assets | | | | | |
| Tangible assets | 9 | | 7,550 | | 7,616 |
| | | | 7,550 | | 7,616 |
| Current assets | | | | | |
| Debtors | 10 | 103 | | 113 | |
| Cash at bank and in hand | | 917 | | 889 | |
| | | 1,020 | | 1,002 | |
| Liabilities | | | | | |
| Creditors: amounts falling due within one year | 11 | (279) | | (199) | |
| Net current assets | | | 741 | | 803 |
| Total assets less current liabilities | | | 8,291 | | 8,419 |
| Defined benefit pension scheme liability | 20 | | (154) | | (34) |
| Total net assets | | | 8,137 | | 8,385 |
| Funds of the academy trust | | | | | |
| Restricted funds | | | | | |
| Fixed asset fund | 12 | 7,550 | | 7,616 | |
| Restricted income fund | 12 | 626 | | 703 | |
| Pension reserve | 12 | (154) | | (34) | |
| Total restricted funds | | | 8,022 | | 8,285 |
| Unrestricted income funds | 12 | | 115 | | 100 |
| Total funds | | | 8,137 | | 8,385 |

The financial statements on pages 25 to 51 were approved by the trustees, and authorised for issue on 13 December 2019 and are signed on their behalf by:



Andrea Heffernan
Trustee

Big Life Schools
Statement of Cash Flows
for the year ended 31 August 2019

| | Note | 2019 £'000 | 2018 £'000 |
|--|------|---------------|---------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 15 | 154 | 10 |
| Cash flows from investing activities | 16 | (126) | (1) |
| | | <hr/> | <hr/> |
| Change in cash and cash equivalents in the reporting period | | 28 | 9 |
| | | <hr/> | <hr/> |
| Cash and cash equivalents at 1 September 2018 | | 889 | 880 |
| | | <hr/> | <hr/> |
| Cash and cash equivalents at 31 August 2019 | 18 | 917 | 889 |
| | | <hr/> | <hr/> |

Big Life Schools

Notes forming part of the financial statements for the year ended 31 August 2019

1. Accounting Policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), 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 2018 to 2019 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.

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 2019 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

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 2019

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.

- ESFA's Free School Building Programme

The academy trust is benefiting from the ESFA's Free School Building Programme. The funding for the programme is not recognised as a capital grant until there is unconditional entitlement from costs being incurred and the development occurring on a site where the academy trust controls.

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.

Big Life Schools

Notes forming part of the financial statements for the year ended 31 August 2019

1.Accounting Policies (continued)

- 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 2019

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 2019

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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Big Life Schools

Notes forming part of the financial statements for the year ended 31 August 2019

1. Accounting Policies (continued)

Critical accounting estimates and areas of judgement (continued)

- Tangible fixed assets (see note 9)

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.

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 10. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 11. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Big Life Schools

Notes forming part of the financial statements for the year ended 31 August 2019

2. Donations and capital grants

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Total 2019 £'000 | Total 2018 £'000 |
|------------------------------|--------------------------------|------------------------------|------------------------|------------------------|
| Capital grants | - | 79 | 79 | 15 |
| | - | 79 | 79 | 15 |
| <i>2018 analysis by fund</i> | - | 15 | 15 | 15 |

During the year capital grant income of £78k (2017:£15k) was received.

3. Funding for the Academy Trust's Educational Operations

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Total 2019 £'000 | Total 2018 £'000 |
|---|--------------------------------|------------------------------|------------------------|------------------------|
| DfES/ESFA revenue grants | | | | |
| General Annual Grant (GAG) | - | 2,171 | 2,171 | 1,927 |
| Other DfES/ESFA Grants | | 290 | 290 | 213 |
| | - | 2,461 | 2,461 | 2,140 |
| Other government grants | | | | |
| Local Authority Grants | - | 304 | 304 | 356 |
| | - | 304 | 304 | 356 |
| Other income from the academy trust's educational operations | 104 | 20 | 124 | 171 |
| | 104 | 20 | 124 | 171 |
| | 104 | 2,785 | 2,889 | 2,667 |
| 2018 analysis by fund | 171 | 2,496 | 2,667 | 2,667 |

Big Life Schools

Notes forming part of the financial statements for the year ended 31 August 2019

4. Expenditure

| | Staff Costs | Non-Pay Expenditure | | Total 2019 | Total 2018 |
|---------------------------------------|--------------|------------------------|----------------|---------------|---------------|
| | £'000 | Premises £'000 | Other £'000 | £'000 | £'000 |
| Academy Trust educational operations: | | | | | |
| • Direct costs | 1,908 | - | 255 | 2,163 | 2,069 |
| • Allocated support costs | 129 | 235 | 597 | 961 | 790 |
| | <u>2,037</u> | <u>235</u> | <u>852</u> | <u>3,124</u> | <u>2,859</u> |

Net income/(expenditure) for the period includes:

| | Total 2018 £'000 | Total 2017 £'000 |
|------------------------------|------------------------|------------------------|
| Depreciation | 271 | 332 |
| Fees payable to auditor for: | | |
| • Audit | 11 | 11 |
| • Non-audit | 4 | 4 |
| | <u>11</u> | <u>4</u> |

5. Charitable Activities

| | Total 2019 £'000 | Total 2018 £'000 |
|--|------------------------|------------------------|
| Direct costs – educational operations | 2,163 | 2,069 |
| Support costs – educational operations | 961 | 790 |
| | <u>3,124</u> | <u>2,859</u> |
| Analysis of support costs: | Total 2019 £'000 | Total 2018 £'000 |
| Support staff costs | 129 | 175 |
| Depreciation | 271 | 332 |
| Premises costs | 235 | 161 |
| Other support costs | 243 | 68 |
| Governance Costs | 83 | 54 |
| Total support costs | <u>961</u> | <u>790</u> |

Big Life Schools

Notes forming part of the financial statements for the year ended 31 August 2019

5. 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 2019 £'000 | Other Support Staff Costs 2019 £'000 | Educational Supplies 2019 £'000 | Other Costs (excl Dep'n) 2019 £'000 | Total Costs 2019 £'000 |
|-----------------------------|---|--|--|--|------------------------------|
| Longsight Community Primary | 901 | - | 56 | 215 | 1,172 |
| Unity Community Primary | 769 | - | 56 | 263 | 1,088 |
| Big Life Schools Trust | - | 367 | - | 226 | 593 |
| Total | 1,670 | 367 | 112 | 704 | 2,853 |

| | Teaching and Educational Support Staff Costs 2018 £'000 | Other Support Staff Costs 2018 £'000 | Educational Supplies 2018 £'000 | Other Costs (excl Dep'n) 2018 £'000 | Total Costs 2018 £'000 |
|-----------------------------|---|--|--|--|------------------------------|
| Longsight Community Primary | 799 | - | 65 | 218 | 1,082 |
| Unity Community Primary | 575 | - | 43 | 184 | 802 |
| Big Life Schools Trust | - | 427 | - | 220 | 647 |
| Total | 1,374 | 427 | 108 | 622 | 2,531 |

6. Staff

a. Staff costs

| | 2019 £'000 | 2018 £'000 |
|--|---------------|---------------|
| Staff costs during the period were: | | |
| Wages and salaries | 1,642 | 1,498 |
| Social security costs | 141 | 122 |
| Operating costs of defined benefit pension schemes | 206 | 151 |
| | 1,989 | 1,771 |
| Supply staff costs | 48 | 29 |
| | 2,037 | 1,800 |

Big Life Schools

Notes forming part of the financial statements for the year ended 31 August 2019

6. Staff (continued)

b. Staff numbers

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

| | 2019 No. | 2018 No. |
|-----------------------------|-------------|-------------|
| Teachers | 18 | 6 |
| Administrations and support | 49 | 48 |
| Management | 6 | 6 |
| | <u>73</u> | <u>60</u> |

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

| | 2019 No. | 2018 No. |
|-----------------------------|-------------|-------------|
| Teachers | 15 | 15 |
| Administrations and support | 39 | 35 |
| Management | 6 | 6 |
| | <u>60</u> | <u>45</u> |

c. Higher paid staff

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

| | 2019 No. | 2018 No. |
|-------------------|-------------|-------------|
| £60,001 - £70,000 | 2 | 2 |
| | <u>2</u> | <u>2</u> |

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 £254,675 (2018:£234,000).

Big Life Schools

Notes forming part of the financial statements for the year ended 31 August 2019

7. Related party transactions – Trustees' remuneration and expenses

During the year ended 31 August 2019, £nil remuneration was paid to the trustees and travel and subsistence expenses totalling £616 (2018: £444) was paid to 1 person (2018:2) trustees.

The salary of the Chief Executive and Accounting Officer, a Trustee, is paid for as part of the service level agreement with Big Life Company on a cost only basis as detailed in note 22. During the year ended 31 August 2019 approximately £17,000 was charged to Big Life Schools and the full salary of £85,000 was paid by the Big Life Company.

8. 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.

9. Tangible Fixed Assets

| | Long Leasehold land and buildings £'000 | Furniture and equipment £'000 | Computer equipment £'000 | Total £'000 |
|------------------------|---|-------------------------------------|--------------------------------|-------------------|
| Cost | | | | |
| At 1 September 2018 | 7,810 | 334 | 387 | 8,531 |
| Additions | 120 | 24 | 61 | 205 |
| Disposals | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 August 2019 | 7,930 | 358 | 448 | 8,736 |
| Depreciation | | | | |
| At 1 September 2018 | 393 | 219 | 303 | 915 |
| Charged in year | 154 | 57 | 60 | 271 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 August 2019 | 547 | 276 | 363 | 1,186 |
| Net book values | | | | |
| At 31 August 2019 | <hr/> <hr/> 7,383 | <hr/> <hr/> 82 | <hr/> <hr/> 85 | <hr/> <hr/> 7,550 |
| At 31 August 2018 | <hr/> <hr/> 7,417 | <hr/> <hr/> 115 | <hr/> <hr/> 84 | <hr/> <hr/> 7,616 |

Big Life Schools

Notes forming part of the financial statements for the year ended 31 August 2019

10. Debtors

| | 2019 £'000 | 2018 £'000 |
|--------------------------------|---------------|---------------|
| Trade Debtors | - | 3 |
| Intercompany | 1 | 14 |
| VAT recoverable | 55 | 30 |
| Other debtors | - | 2 |
| Prepayments and accrued income | 47 | 64 |
| | <u>103</u> | <u>113</u> |

11. Creditors: amounts falling due within one year

| | 2019 £'000 | 2018 £'000 |
|------------------------------|---------------|---------------|
| Trade creditors | 108 | 57 |
| Intercompany | 6 | 7 |
| Other creditors | 61 | 18 |
| Accruals and deferred income | 104 | 117 |
| | <u>279</u> | <u>199</u> |

| Deferred income | 2019 £'000 | 2018 £'000 |
|-------------------------------------|---------------|---------------|
| Deferred income at 1 September 2018 | 23 | 60 |
| Released from previous years | (23) | (78) |
| Resources deferred in the period | 54 | 41 |
| Deferred income at 31 August 2019 | <u>54</u> | <u>23</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 Universal Free School Meals, SEN and other MAT development projects.

Big Life Schools

Notes forming part of the financial statements for the year ended 31 August 2019

12. Funds

| | Balance at 1 September 2018 £'000 | Incoming Resources £'000 | Resources expended £'000 | Gains, Losses and Transfers £'000 | Balance at 31 August 2019 £'000 |
|-------------------------------------|--|--------------------------------|--------------------------------|--|--|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 678 | 2,171 | (2,141) | (126) | 582 |
| Pupil Premium | 25 | 170 | (151) | - | 44 |
| Other Grants | - | 444 | (444) | - | - |
| Pension reserve | (34) | 0 | (28) | (92) | (154) |
| | <u>669</u> | <u>2,785</u> | <u>(2,764)</u> | <u>(218)</u> | <u>472</u> |
| Restricted fixed asset funds | | | | | |
| DfE/EFA grants | 7,616 | 79 | (271) | 126 | 7,550 |
| | <u>7,616</u> | <u>79</u> | <u>(271)</u> | <u>126</u> | <u>7,550</u> |
| Total restricted funds | <u><u>8,285</u></u> | <u><u>2,864</u></u> | <u><u>(3,035)</u></u> | <u><u>(92)</u></u> | <u><u>8,022</u></u> |
| Unrestricted funds | | | | | |
| Unrestricted funds | 100 | 104 | (89) | - | 115 |
| Total unrestricted funds | <u><u>100</u></u> | <u><u>104</u></u> | <u><u>(89)</u></u> | <u><u>-</u></u> | <u><u>115</u></u> |
| Total funds | <u><u>8,385</u></u> | <u><u>2,968</u></u> | <u><u>(3,124)</u></u> | <u><u>(92)</u></u> | <u><u>8,137</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 2019.

During the year a transfer of £126,000 was made from the GAG Fund to Restricted Fixed Asset Funds in respect of fixed asset additions.

Big Life Schools

Notes forming part of the financial statements for the year ended 31 August 2019

12. Funds (continued)

| | Balance at 1 September 2017 | Incoming Resources | Resources expended | Gains, Losses and Transfers | Balance at 31 August 2018 |
|-------------------------------------|-----------------------------------|-----------------------|-----------------------|-----------------------------------|---------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 612 | 1,927 | (1,863) | - | 678 |
| Pupil Premium | - | 151 | (125) | - | 25 |
| Other Grants | - | 418 | (418) | - | - |
| Pension reserve | (32) | 35 | (65) | 28 | (34) |
| | <u>580</u> | <u>2,531</u> | <u>(2,471)</u> | <u>28</u> | <u>568</u> |
| Restricted fixed asset funds | | | | | |
| DfE/EFA grants | 7,932 | 15 | (331) | - | 7,616 |
| | <u>7,932</u> | <u>15</u> | <u>(331)</u> | <u>-</u> | <u>7,616</u> |
| Total restricted funds | <u><u>8,512</u></u> | <u><u>2,546</u></u> | <u><u>(2,802)</u></u> | <u><u>28</u></u> | <u><u>8,285</u></u> |
| Unrestricted funds | | | | | |
| Unrestricted funds | 26 | 171 | (97) | - | 100 |
| Total unrestricted funds | <u><u>26</u></u> | <u><u>171</u></u> | <u><u>(97)</u></u> | <u><u>-</u></u> | <u><u>100</u></u> |
| Total funds | <u><u>8,538</u></u> | <u><u>2,717</u></u> | <u><u>(2,899)</u></u> | <u><u>28</u></u> | <u><u>8,385</u></u> |

Big Life Schools

Notes forming part of the financial statements for the year ended 31 August 2019

12 Funds (continued)

Total funds analysis by academy

Fund balances were allocated as follows:

| | Balance at 31 August 2019 £'000 | Balance at 31 August 2018 £'000 |
|--|--|--|
| Longsight Community Primary | 494 | 508 |
| Unity Community Primary | 291 | 282 |
| Big Life Schools | (44) | 13 |
| Total before fixed assets and pension reserve | 741 | 803 |
| Restricted fixed asset fund | 7,550 | 7,616 |
| Pension Reserve | (154) | (34) |
| | 8,137 | 8,385 |

It is anticipated that the negative balance on Big Life Schools (£44k) will be in surplus by 2019-20

13. Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

| | Unrestricted funds £'000 | Restricted general funds £'000 | Restricted fixed asset funds £'000 | Total funds £'000 |
|--------------------------|--------------------------------|--------------------------------------|---|----------------------|
| Tangible fixed assets | - | - | 7,550 | 7,550 |
| Current assets | 115 | 901 | - | 1,020 |
| Current liabilities | - | (279) | - | (279) |
| Pension scheme liability | - | (154) | - | (154) |
| Total net assets | 119 | 468 | 7,550 | 8,137 |

Fund balances at 31 August 2018 represented by

| | Unrestricted funds £'000 | Restricted general funds £'000 | Restricted fixed asset funds £'000 | Total funds £'000 |
|--------------------------|--------------------------------|--------------------------------------|---|----------------------|
| Tangible fixed assets | - | - | 7,616 | 7,612 |
| Current assets | 100 | 902 | - | 1,002 |
| Current liabilities | - | (199) | - | (199) |
| Pension scheme liability | - | (34) | - | (34) |
| Total net assets | 100 | 669 | 7,616 | 8,385 |

Big Life Schools

Notes forming part of the financial statements for the year ended 31 August 2019

14. Capital Commitments

Contracted for, but not provided for in the financial statements

| | 2019 £'000 | 2018 £'000 |
|-----------------------------------|---------------|---------------|
| Purchase of tangible fixed assets | - | 24 |
| | <u>-</u> | <u>24</u> |

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

| | 2019 £'000 | 2018 £'000 |
|--|-------------------|------------------|
| Net (expenditure)/income for the reporting period | (248) | (152) |
| <i>Adjusted for:</i> | | |
| Capital grants from DfES and other capital income | (79) | (15) |
| Depreciation (note 10) | 271 | 332 |
| Defined benefit pension scheme cost less contributions payable (note 21) | 120 | 2 |
| Decrease in debtors | 10 | 18 |
| Increase/(Decrease) in creditors | 80 | (175) |
| Net cash provided by/(used in) Operating Activities | <u>154</u> | <u>10</u> |

16. Cash flows from investing activities

| | 2019 £'000 | 2018 £'000 |
|--|---------------------|-------------------|
| Purchase of tangible fixed assets | (205) | (16) |
| Capital grants from DfE/ESFA | 79 | 15 |
| Net cash provided by financing activities | <u>(126)</u> | <u>(1)</u> |

17. Analysis of cash

| | At 1 September 2018 £'000 | Cashflow £'000 | At 31 August 2019 £'000 |
|--|------------------------------------|-------------------|----------------------------------|
| Cash in hand and at bank | 889 | 28 | 917 |
| Total cash outflow and cash equivalents | <u>889</u> | <u>28</u> | <u>917</u> |

Big Life Schools

Notes forming part of the financial statements for the year ended 31 August 2019

18. 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.

19. 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.

20. 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 2016 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

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

THE TEACHERS' PENSION BUDGETING AND VALUATION ACCOUNT

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

Big Life Schools

Notes forming part of the financial statements for the year ended 31 August 2019

20. Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

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

Valuation of the Teacher's Pension Scheme

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

A copy of the latest valuation report can be found by following this link to [the Teachers' Pension Scheme website](#)

Scheme Changes

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

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

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

Big Life Schools

Notes forming part of the financial statements for the year ended 31 August 2019

20. Pension and similar obligations (continued)

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 2019 was £43,000 (2018: £33,000), of which employer's contributions totalled £32,000 (2018: £22,000) and employees' contributions totalled £11,000 (2018: £11,000). The agreed contribution rates for future years are 17.2 per cent for employers and between 5.5 to 12.5 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 2019 | At 31 August 2018 |
|---|----------------------|----------------------|
| Rate of increase in salaries | 3.1% | 3.1% |
| Rate of increase for pensions in payment / inflation | 2.3% | 2.3% |
| Discount rate for scheme liabilities | 1.9% | 2.8% |
| Inflation assumption (CPI) | 2.3% | 2.3% |
| Commutation of pensions to lump sums (pre Apr 08/post Apr 08) | 55% | 55%/ |

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 2019 | At 31 August 2018 |
|-----------------------------|----------------------|----------------------|
| <i>Retiring today</i> | | |
| Males | 20.6 | 21.5 |
| Females | 23.1 | 24.1 |
| <i>Retiring in 20 years</i> | | |
| Males | 22.0 | 23.7 |
| Females | 24.8 | 26.2 |

Big Life Schools

Notes forming part of the financial statements for the year ended 31 August 2019

20. 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 2019 £'000 | Fair value at 31 August 2018 £'000 |
|-------------------------------------|---|---|
| Equity instruments | 97 | 63 |
| Debt instruments | 21 | 15 |
| Property | 11 | 6 |
| Cash | 14 | 8 |
| Total market value of assets | 143 | 92 |
| Present value of scheme liabilities | (297) | (126) |
| Deficit in the scheme | (154) | (34) |

The actual return on scheme assets was 4.8% (2018:3.39%).

Amounts recognised in the statement of financial activities

| | 2019 £'000 | 2018 £'000 |
|--|---------------|---------------|
| Current service cost (net of employee contributions) | (62) | (49) |
| Net interest cost | (1) | (1) |
| Total operating charge | (63) | (50) |

Big Life Schools

Notes forming part of the financial statements for the year ended 31 August 2019

20. Pension and similar obligations (continued)

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

| | 2019 £'000 | 2018 £'000 |
|------------------------|---------------|---------------|
| At 1 September | 126 | 87 |
| Transfer on Conversion | - | 7 |
| Current service cost | 61 | 48 |
| Past Service Cost | 1 | - |
| Interest cost | 5 | 3 |
| Employee contributions | 12 | 7 |
| Actuarial Gain | 92 | (26) |
| | <hr/> | <hr/> |
| At 31 August | 297 | 126 |

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

| | 2019 £'000 | 2018 £'000 |
|------------------------|---------------|---------------|
| At 1 September | 92 | 55 |
| Transfer on Conversion | - | 4 |
| Interest income | 4 | 2 |
| Actuarial Gain | 1 | 2 |
| | <hr/> | <hr/> |
| Employer contributions | 34 | 22 |
| Employee contributions | 12 | 7 |
| | <hr/> | <hr/> |
| At 31 August | 143 | 92 |

Big Life Schools

Notes forming part of the financial statements for the year ended 31 August 2019

21. 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 specific roles including Group Chief Executive, Chief Finance Officer and Clerk to the Governors. The agreement also provides for the supply of various central services such as Finance, Legal and Payroll services, Communications and Marketing activity 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 £2,159,000 (2018: £1,991,000).

22. Central Services

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

- Finance
- Legal
- Payroll & HR 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:

| | 2019 | 2018 |
|-----------------------------|-------|-------|
| | £000 | £000 |
| Longsight Community Primary | 44 | 30 |
| Unity Community Primary | 44 | 31 |
| Big Life Schools Trust | 44 | 45 |
| | <hr/> | <hr/> |
| | 132 | 106 |
| | <hr/> | <hr/> |

Big Life Schools

Notes forming part of the financial statements for the year ended 31 August 2019

23 Financial instruments

| | 2019 | 2018 |
|---|--------------|--------------|
| | £000 | £000 |
| Financial assets | | |
| Financial assets that are debt instruments measured at amortised cost | <u>1,020</u> | <u>1,002</u> |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | <u>279</u> | <u>223</u> |

Financial assets that are debt instruments measured at amortised cost comprise cash balances, trade and other debtors and accrued income.

Financial liabilities measured at amortised cost comprise loan balances, trade and other creditors and accruals.

24 Transfer on Conversion

On conversion of UCP to an Academy School a balance in respect of the local government pension scheme was not recognised in the 2016/17 accounts. An adjustment of £3k has been made in the period of account to recognise the opening liability at the start of the period. Previous years accounts have not been restated on the basis that the amount is immaterial.