

BENFLEET SCHOOLS TRUST
(FORMERLY "THE APPLETON SCHOOL ACADEMY TRUST")
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2015

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BENFLEET SCHOOLS TRUST

(FORMERLY "THE APPLETON SCHOOL ACADEMY TRUST")

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BENFLEET SCHOOLS TRUST

(FORMERLY "THE APPLETON SCHOOL ACADEMY TRUST")

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

M Atkins (Staff) resigned 02/12/2014
S Dignasse appointed 02/12/2014
S Edmondson (Member,) * resigned 02/12/2014
J Fryer appointed 02/12/2014
J Hilliker resigned 02/12/2014
M Hillman (Member,) resigned 02/12/2014
P Hillman (Member, Chair) *
M Jones (Parent) resigned 02/12/2014
K Kerridge (Head Teacher) *
D Parmenter (Vice Chair) * resigned 02/12/2014
S Parmenter * resigned 02/12/2014
C Purdy appointed 08/06/2015
T Reynolds (Member)
M Scott * resigned 02/12/2014
G Webb (Parent) * resigned 02/12/2014

* members of the Finance, Estates and General Purposes committee

Note: Parent and Staff representatives at Local Governing Body level from 02/12/2014.

Members

K Cooper
S Edmondson
M Hillman
P Hillman
T Reynolds

Senior management team

K Kerridge	- Head Teacher
A Clarke	- Deputy Head Teacher
S Cox	- Deputy Head Teacher
A Cruse	- Assistant Head Teacher
J Gill	- Assistant Head Teacher
J Banks	- Assistant Head Teacher
S Mooney	- Assistant Head Teacher
A Hawes	- Assistant Head Teacher
G Farrance	- Business Manager

Company Secretary

A Wright

Company registration number

07561574 (England and Wales)

Registered office

Croft Road
Benfleet
Essex
SS7 5RN
United Kingdom

Independent auditor

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

Bankers

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

Solicitors

Eversheds LLP
One Wood Street
London EC2V 7WS

BENFLEET SCHOOLS TRUST (FORMERLY "THE APPLETON SCHOOL ACADEMY TRUST") TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

The trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The principal activity of the company is the operation of a state-funded Academy, The Appleton School, providing a state education for students aged 11 to 18 with a specialism in Business and Enterprise. It has a pupil roll of 1281 in the school census dated 21st May 2015.

Structure, governance and management

Constitution

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

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

The company was formerly known as "The Appleton School Academy Trust". It changed its name on 30 October 2014 to Benfleet Schools Trust.

Members' liability

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

Trustees' Indemnities

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

Method of recruitment and appointment or election of directors

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

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

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

Policies and procedures adopted for the induction and training of trustees

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

BENFLEET SCHOOLS TRUST (FORMERLY "THE APPLETON SCHOOL ACADEMY TRUST") TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Organisational structure

The Benfleet Schools Trust became a Multi Academy Trust on 19th February 2015. This enabled the governing body to be split in to directors of the Multi Academy Trust and a local governing body for The Appleton School. At director level a skills shortfall was identified in the area of finance and an appointment made at director level to fill the gap. The directors of Benfleet Schools Trust are responsible for the strategic direction of the school, appointment of the local governing body and senior management of the school. They have delegated all other responsibilities to the local governing body. To enable them to carry out these duties the directors meet at least four times a year to consider the strategic priorities on the Trust. The local governing body meets at least three times a year and has two committees.

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

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

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

Related Parties and other Connected Charities and Organisations

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

Objectives and activities

Objects and aims

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

Objectives, strategies and activities

The principal object of the company is to advance for the public benefit, education in the United Kingdom.

It achieves this object through the operation of The Appleton School, providing a state education, free of charge, to pupils aged 11 to 18.

Public benefit

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

Strategic report

Achievements and performance

The school was judged Outstanding for the second time by OFSTED in July 2013, and since then the school has expanded by one form of entry and opened its sixth form. The school has enjoyed a very successful year. Exam results were the highest in the history of the school. 69% of pupils having obtained 5 or more grades A* - C including English and Mathematics in the Summer 2015 GCSE examinations.

On the sporting front, our basketball, hockey, netball and rugby teams all achieved high places in their leagues.

We also had significant successes in enterprise Activities and Public Speaking with all our teams gaining awards.

During the year we have run several successful school trips abroad including France, Germany, Austria, Iceland and China.

The Sixth Form has a brand new building resulting in adequate space for 2015-16.

BENFLEET SCHOOLS TRUST (FORMERLY "THE APPLETON SCHOOL ACADEMY TRUST") TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Key Financial Performance Indicators

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

Other Key Performance Indicators

The Appleton School is graded outstanding. 98% of students gained 5 GCSE's. 75% gained 5 A*-C grades and 69% gained 5 A*-C grades with English and Mathematics.

Going concern

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

Financial review

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

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending.

Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of trustees ("Unrestricted Funds") and those which are subject to condition or restriction, ("Restricted Funds").

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

BENFLEET SCHOOLS TRUST
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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The following balances held were held at 31 August;

Fund	Category	2015 £'000	2014 £'000
GAG	Restricted General Funds	105	242
Other DfE/EFA Grants	Restricted General Funds	280	185
Other Income	Restricted General Funds	<u>535</u>	<u>359</u>
Sub-total General Restricted Funds		920	786
Unspent Capital Grants	Restricted Fixed Asset Fund	126	93
Other Income	Unrestricted General Fund	<u>239</u>	<u>143</u>
Sub-Total	Spendable Funds	1,285	1,022
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	14,152	12,336
Share of LGPS Deficit	Restricted Pension Reserve	<u>(1,902)</u>	<u>(1,849)</u>
Total	All Funds	<u>13,535</u>	<u>11,509</u>

Reserves policy

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

Investment Policy

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

Principal Risks and Uncertainties

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

The risk management process has been codified in a risk register implemented by the Leadership Team and overseen by Directors.

The major risks to which the academy trust is exposed are:

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

Procedures to mitigate these risks:

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

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

FOR THE YEAR ENDED 31 AUGUST 2015

Other Financial Risks

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

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

Plans for Future Periods

- Governors are currently discussing whether or not to move to a PAN of 300.
- To enable the above to occur there would need to be further building developments.
- Capital bid to be submitted in December 2015 to increase the number of general teaching spaces in the school.
- Lagged impact of funding to be considered in budget planning.

Funds Held as Custodian Trustee on Behalf of Others

The Academy is the "banker school" holding funds on behalf of the 14-19 Area Planning Group. At 31 August 2015 £9k (2014: £19k) remains unspent and is held within deferred income.

Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

A resolution proposing that Baxter & Co be reappointed as auditor of the charitable company will be put to the members.

Approved by order of the board of trustees on 1st December 2015 and signed on its behalf by:



P Hillman

Chair

BENFLEET SCHOOLS TRUST (FORMERLY "THE APPLETON SCHOOL ACADEMY TRUST") GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to K Kerridge, the Head Teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Benfleet Schools Trust and the Secretary of State for Education. 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 five times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
M Atkins (Staff)	1	1
S Dignasse	3	4
S Edmondson (Member)	1	1
J Fryer	4	4
J Hilliker (Staff)	1	1
M Hillman (Member)	1	1
P Hillman (Member, Chair)	5	5
M Jones	1	1
K Kerridge (Head Teacher)	5	5
D Parmenter (Vice Chair)	0	1
S Parmenter	0	1
C Purdy	1	1
T Reynolds (Member)	4	5
M Scott	1	1
G Webb (Parent)	1	1

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

Governance reviews:

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

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

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

**BENFLEET SCHOOLS TRUST
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GOVERNANCE STATEMENT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2015

Attendance at meetings during the year was as follows:

Local Governing Body

Finance, Estates and General Purposes Committee

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

Review of Value for Money

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

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

The School has been judged as outstanding by OFSTED in its last two inspections thereby giving excellent value for money. In 2015 the school's GCSE results were particularly strong, increasing 8% on the previous year. The school's results place the school as either first or second on all examination indicators when comparing it with similar schools across the country. The school has also successfully used the capital bidding process to redesign accommodation into new science laboratories and also secured other funding to build a new sixth form block.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Benfleet Schools Trust for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the trust's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

**BENFLEET SCHOOLS TRUST
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GOVERNANCE STATEMENT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2015

The risk and control framework

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

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

The Responsible Officer for The Appleton School resigned as a governor in August 2014. During 2015 the Chair of Governors performed the duty of Responsible Officer as an interim measure and no material weaknesses were identified. The Trustees subsequently agreed for this function to be performed by an independent company of external auditors.

Checks carried out included

- Payroll systems
- Purchase systems
- Petty Cash
- Bank Statements
- Lettings
- Catering Income

Review of effectiveness

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

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

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

Approved by order of the board of trustees on 1st December 2015 and signed on its behalf by:



P Hillman
Chair



K Kerridge
Head Teacher & Accounting Officer

**BENFLEET SCHOOLS TRUST
(FORMERLY "THE APPLETON SCHOOL ACADEMY TRUST")
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

FOR THE YEAR ENDED 31 AUGUST 2015

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

I confirm that I and the Academy Trust's Board of Governors 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.

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

Approved on 01 December 2015 and signed by:



K Kerridge
Accounting Officer

BENFLEET SCHOOLS TRUST

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who act as trustees for Benfleet Schools Trust and are also the directors of Benfleet Schools Trust for the purposes of company law) are responsible for preparing the Governors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency (EFA), United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare accounts for each financial year. Under company law the Governors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Governors 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the Board of Governors on 01 December 2015 and signed on its behalf by:



P Hillman
Member, Chair

BENFLEET SCHOOLS TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BENFLEET SCHOOLS TRUST

We have audited the accounts of Benfleet Schools Trust for the year ended 31 August 2015 set out on pages 16 to 39. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency (EFA).

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

Respective responsibilities of Governors and auditors

As explained more fully in the Governors' Responsibilities Statement set out on page 11, the Governors, who are also the directors of Benfleet Schools Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 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 in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

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

BENFLEET SCHOOLS TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BENFLEET SCHOOLS TRUST

Matters on which we are required to report by exception

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

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

David John Walsh FCCA (Senior Statutory Auditor)
For and on behalf of Baxter & Co

Chartered Certified Accountants

Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Dated: 14 December 2015

BENFLEET SCHOOLS TRUST

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

In accordance with the terms of our engagement letter dated 01 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Benfleet Schools Trust during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Benfleet Schools Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Benfleet Schools Trust's funding agreement with the Secretary of State for Education dated 1 April 2011 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 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 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the programme of risk review and checking of financial controls implemented by the trust in order to comply with its obligations under 2.4.7 of the Academies Financial Handbook 2014, issued by the EFA.

BENFLEET SCHOOLS TRUST

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

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

Dated: 14 December 2015

BENFLEET SCHOOLS TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds £'000	Restricted funds £'000	Fixed Asset funds £'000	Total 2015 £'000	Total 2014 £'000
Incoming resources	Notes					
<i>Resources from generated funds</i>						
- Voluntary income	2	17	141	28	186	169
- Activities for generating funds	3	85	40	-	125	89
- Investment income	4	7	-	-	7	8
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	-	7,410	2,855	10,265	7,781
Total incoming resources		109	7,591	2,883	10,583	8,047
Resources expended						
<i>Costs of generating funds</i>						
- Relating to voluntary income	6	-	206	-	206	190
- Fundraising trading	6	13	-	-	13	8
<i>Charitable activities</i>						
- Educational operations	7	-	7,849	480	8,329	7,341
Governance costs	8	-	72	-	72	111
Total resources expended	6	13	8,127	480	8,620	7,650
Net incoming/(outgoing) resources before transfers		96	(536)	2,403	1,963	397
Gross transfers between funds		-	554	(554)	-	-
Net income/(expenditure) for the year		96	18	1,849	1,963	397
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension scheme	18	-	63	-	63	189
Net movement in funds		96	81	1,849	2,026	586
Fund balances at 1 September 2014		143	(1,063)	12,429	11,509	10,923
Fund balances at 31 August 2015		239	(982)	14,278	13,535	11,509

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

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

BENFLEET SCHOOLS TRUST

BALANCE SHEET

AS AT 31 AUGUST 2015

		2015		2014	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	11		14,152		12,336
Current assets					
Stocks	12	8		7	
Debtors	13	479		328	
Cash at bank and in hand		1,146		1,086	
		<u>1,633</u>		<u>1,421</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(348)		(399)	
Net current assets			<u>1,285</u>		<u>1,022</u>
Net assets excluding pension liability			<u>15,437</u>		<u>13,358</u>
Defined benefit pension liability	18		(1,902)		(1,849)
Net assets			<u>13,535</u>		<u>11,509</u>
Funds of the Academy Trust:					
Restricted funds	16				
- Fixed asset funds			14,278		12,429
- General funds			920		786
- Pension reserve			(1,902)		(1,849)
Total restricted funds			<u>13,296</u>		<u>11,366</u>
Unrestricted income funds	16		<u>239</u>		<u>143</u>
Total funds			<u>13,535</u>		<u>11,509</u>

The accounts were approved by order of the Board of Governors and authorised for issue on 01 December 2015.



P Hillman

Member, Chair

Company Number 07561574

BENFLEET SCHOOLS TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £'000	2014 £'000
Net cash inflow/(outflow) from operating activities	19	(534)	643
Returns on investments and servicing of finance			
Investment income	7	8	
Net cash inflow/(outflow) from returns on investments and servicing of finance		7	8
		(527)	651
Capital expenditure and financial investments			
Capital grants received	2,883	587	
Payments to acquire tangible fixed assets	(2,296)	(1,117)	
Net cash flow from capital activities		587	(530)
Increase/(decrease) in cash	20	60	121

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Going concern

The Governors 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 Governors make this assessment in respect of a period of one year from the date of approval of the accounts.

1.3 Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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 is certainty of receipt 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 goods have been provided or on completion of the service.

Donated goods, facilities and services

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.4 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

Assets costing £2,500 or more per item (or less if they form part of a larger purchase or project where the total cost exceeds £25,000) are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Freehold land is not depreciated

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

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

Fixed Asset Transfer from Predecessor School

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

Land

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

Buildings

In accordance with the requirements of FRS 15, specialist buildings transferred from a predecessor school are recognised at their depreciated replacement cost at the time of the transfer. Future depreciation is charged over the estimated remaining useful life of the buildings.

Other Fixed Assets

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

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

1.6 Leasing and hire purchase commitments

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

1.7 Stock

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

1.8 Taxation

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

1.9 Pensions benefits

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

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

Teachers' Pension Scheme

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 18, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

Local Government Pension Scheme

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.10 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 Governors.

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

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

1.11 Agency arrangements

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

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

The funds received and paid, and any balances held are disclosed in note 26.

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

2 Voluntary income

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Capital grants	-	28	28	-
Other donations	17	141	158	169
	<u>17</u>	<u>169</u>	<u>186</u>	<u>169</u>

3 Activities for generating funds

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Hire of facilities	85	-	85	89
Transport income	-	40	40	-
	<u>85</u>	<u>40</u>	<u>125</u>	<u>89</u>

4 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Short term deposits	<u>7</u>	<u>-</u>	<u>7</u>	<u>8</u>

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

5 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
DfE / EFA grants				
General annual grant (GAG)	-	6,480	6,480	6,222
Capital grants	-	2,855	2,855	587
Other DfE / EFA grants	-	255	255	338
	-	9,590	9,590	7,147
Other government grants				
Other grants	-	316	316	294
Other funds				
Other incoming resources	-	359	359	340
Total funding	-	10,265	10,265	7,781

6 Resources expended

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2015 £'000	Total 2014 £'000
Academy's educational operations					
- Direct costs	5,041	384	541	5,966	5,555
- Allocated support costs	708	888	767	2,363	1,786
	5,749	1,272	1,308	8,329	7,341
Other expenditure					
Costs of generating voluntary income	-	-	206	206	190
Costs of activities for generating funds	3	-	10	13	8
Governance costs	-	-	72	72	111
	3	-	288	291	309
Total expenditure	5,752	1,272	1,596	8,620	7,650

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

6 Resources expended

Incoming/outgoing resources for the year include:	2015 £'000	2014 £'000
Operating leases		
- Plant and machinery	14	-
Fees payable to auditor		
- Audit	8	8
- Other services	5	7

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	2015 £
Gifts made by the trust - total	592

Clarification - While the majority of disclosure in these accounts are rounded to £'000, disclosure of gifts made are not. The value of gifts made for the year was £592 (and not £592k).

Central services

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

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Direct costs				
Teaching and educational support staff costs	-	5,041	5,041	4,646
Depreciation	-	384	384	374
Technology costs	-	112	112	169
Educational supplies and services	-	272	272	246
Examination fees	-	124	124	96
Staff development	-	31	31	24
Educational consultancy	-	1	1	-
Other direct costs	-	1	1	-
	-	5,966	5,966	5,555
Allocated support costs				
Support staff costs	-	708	708	670
Depreciation	-	96	96	94
Maintenance of premises and equipment	-	792	792	335
Cleaning	-	132	132	119
Energy costs	-	133	133	123
Rent and rates	-	39	39	41
Insurance	-	50	50	20
Catering	-	180	180	162
Interest and finance costs	-	60	60	84
Other support costs	-	173	173	138
	-	2,363	2,363	1,786
Total costs	-	8,329	8,329	7,341

8 Governance costs

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Legal and professional fees	-	59	59	96
Auditor's remuneration				
- Audit of financial statements	-	8	8	8
- Other non audit costs	-	5	5	7
	-	72	72	111

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

9 Staff costs

	2015 £'000	2014 £'000
Wages and salaries	4,558	4,293
Social security costs	332	297
Other pension costs	698	631
	<u>5,588</u>	<u>5,221</u>
Supply teacher costs	163	93
Staff restructuring costs	1	4
	<u>164</u>	<u>97</u>
Total staff costs	<u>5,752</u>	<u>5,318</u>

The average number of persons (including senior management team) employed by the Academy Trust during the year expressed as full time equivalents was as follows:

	2015 Number	2014 Number
Teachers	77	76
Administration and support	72	69
Management	9	9
	<u>158</u>	<u>154</u>

The number of employees whose annual remuneration was £60,000 or more was:

	2015 Number	2014 Number
£60,000 - £70,000	3	3
£70,001 - £80,000	2	2
£110,001 - £120,000	1	1
	<u>6</u>	<u>6</u>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2015	2014
Teachers' Pension Scheme	Numbers	6	6
	£'000	<u>63</u>	<u>62</u>
Local Government Pension Scheme	Numbers	-	-
	£'000	<u>-</u>	<u>-</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2014: £4,000).

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

10 Governors' remuneration and expenses

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

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

K Kerridge (Head Teacher):

- Remuneration £115,000 - £120,000 (2014: £115,000 - £120,000)
- Employer's pension contributions £10,000 - £15,000 (2014: £10,000 - £15,000)

M Atkins (Staff Governor):

- Remuneration £45,000 - £50,000 (2014: £45,000 - £50,000)
- Employer's pension contributions £5,000 - £10,000 (2014: £5,000 - £10,000)

J Hilliker (Staff Governor):

- Remuneration £15,000 - £20,000 (2014: £10,000 - £15,000)
- Employer's pension contributions £0 - £5,000 (2014: £0 - £5,000)

During the year, travel and subsistence payments totalling £368 (2014: £864) were reimbursed or paid directly to 3 Governors (2014: 3 Governors).

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

Governors' and officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,041 (2014: £1,041). The cost of this insurance is included in the total insurance cost.

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

11 Tangible fixed assets

	Freehold land and buildings £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 September 2014	12,962	11	299	-	13,272
Additions	2,188	53	31	24	2,296
At 31 August 2015	15,150	64	330	24	15,568
Depreciation					
At 1 September 2014	831	9	96	-	936
Charge for the year	444	2	32	2	480
At 31 August 2015	1,275	11	128	2	1,416
Net book value					
At 31 August 2015	13,875	53	202	22	14,152
At 31 August 2014	12,131	2	203	-	12,336

Freehold land and buildings include land of £1,893,728 which is not depreciated.

12 Stocks

	2015 £'000	2014 £'000
Stores of Catering and uniform supplies	8	7

13 Debtors

	2015 £'000	2014 £'000
Trade debtors	6	4
VAT recoverable	117	110
Other debtors	298	148
Prepayments and accrued income	58	66
	479	328

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

14	Creditors: amounts falling due within one year	2015 £'000	2014 £'000
	Trade creditors	7	-
	Taxes and social security costs	98	96
	Other creditors	80	76
	Accruals	81	153
	Deferred income	82	74
		<u>348</u>	<u>399</u>
15	Deferred income	2015 £'000	2014 £'000
	Deferred income is included within:		
	Creditors due within one year	<u>82</u>	<u>74</u>
	Total deferred income at 1 September 2014	74	93
	Amounts credited to the statement of financial activities	(74)	(93)
	Amounts deferred in the year	<u>82</u>	<u>74</u>
	Total deferred income at 31 August 2015	<u>82</u>	<u>74</u>

Deferred income above relates to rates income of £13k (2014: £13k); trips and activities income of £39k (2014: £34k); catering income received in advance of £5k (2014: £5k); 14-19 area planning group funds of £10k (2014: £19k); unspent 16-19 bursary funding of £6k (2014: £nil) and £9k (2014: £3k) of income received during the year where the related activities are due to be take place after 31 August 2015.

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

16 Funds

	Balance at 1 September 2014 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2015 £'000
Restricted general funds					
General Annual Grant	242	6,480	(7,171)	554	105
Other DfE / EFA grants	185	255	(160)	-	280
Other government grants	170	316	(240)	-	246
Other restricted funds	189	540	(440)	-	289
	<u>786</u>	<u>7,591</u>	<u>(8,011)</u>	<u>554</u>	<u>920</u>
Funds excluding pensions	786	7,591	(8,011)	554	920
Pension reserve	(1,849)	-	(116)	63	(1,902)
	<u>(1,063)</u>	<u>7,591</u>	<u>(8,127)</u>	<u>617</u>	<u>(982)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	1,810	2,855	(40)	(661)	3,964
Inherited fixed asset fund	9,677	-	(381)	-	9,296
Capital expenditure from GAG or other funds	942	-	(59)	107	990
Private sector capital sponsorship	-	28	-	-	28
	<u>12,429</u>	<u>2,883</u>	<u>(480)</u>	<u>(554)</u>	<u>14,278</u>
Total restricted funds	<u>11,366</u>	<u>10,474</u>	<u>(8,607)</u>	<u>63</u>	<u>13,296</u>
Unrestricted funds					
General funds	<u>143</u>	<u>109</u>	<u>(13)</u>	<u>-</u>	<u>239</u>
Total funds	<u>11,509</u>	<u>10,583</u>	<u>(8,620)</u>	<u>63</u>	<u>13,535</u>

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

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

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

The Restricted Fixed Asset Fund represents the net book value of fixed assets £14,152k (2014: £12,336k) plus the unspent element of Capital funds £126k (2014: £93k). When assets are purchased the fund is increased and depreciation charges reduce the fund.

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

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

16 Funds

Analysis of academies by fund balance

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

17 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Fixed asset funds £'000	Total funds £'000
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	14,152	14,152
Current assets	239	1,268	126	1,633
Creditors falling due within one year	-	(348)	-	(348)
Defined benefit pension liability	-	(1,902)	-	(1,902)
	<u>239</u>	<u>(982)</u>	<u>14,278</u>	<u>13,535</u>

18 Pensions and similar obligations

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

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

Contributions amounting to £80,070 (2014: £76,309) were payable to the schemes at 31 August 2015 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £452k (2014: £417k).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

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

The employer's contribution rate includes additional lump sum contributions which are assessed by actuaries so as to eliminate the pension fund deficit. The next review is scheduled for March 2016

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.

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

Contributions made	2015 £'000	2014 £'000
Employer's contributions	190	172
Employees' contributions	56	51
Total contributions	246	223

Principal actuarial assumptions	2015 %	2014 %
Rate of increase in salaries	4.50	4.50
Rate of increase for pensions in payment	2.70	2.70
Discount rate for scheme liabilities	4.00	3.90
RPI Increase	3.60	3.50
CPI Increase	2.70	2.70

Sensitivity Analysis

Scheme liabilities have been valued at £3,000k (2014: £2,677k). The measurement of these liabilities would change in the event that key assumptions underlying their valuation changed.

If the discount rate were to increase by 0.1%, liabilities would be measured at £2,935k (2014: £2,619k)

If the discount rate used were to decrease by 0.1%, liabilities would be measured at £3,067k (2014: £2,737k)

If the life expectancy were to increase by a year, liabilities would be measured at £3,080k (2014: £2,585k)

If the life expectancy were to decrease by a year, liabilities would be measured at £2,923k (2014: £2,769k)

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

	2015 Years	2014 Years
Retiring today		
- Males	22.80	22.70
- Females	25.20	25.10
Retiring in 20 years		
- Males	25.10	24.90
- Females	27.60	27.40

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

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

	2015 Fair value £'000	2014 Fair value £'000
Equities	714	532
Gilts	44	53
Other Bonds	107	91
Cash	27	23
Property	127	96
Other assets	79	33
Total market value of assets	1,098	828
Present value of scheme liabilities - funded	(3,000)	(2,677)
Net pension asset / (liability)	(1,902)	(1,849)

For the year to 31 August 2015, the expected return was 5.3% per annum, which has been used to determine the charge for the year.

Assumptions on expected rates

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period.

The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The return on equities and property are then assumed to be a margin above gilt yields.

The actual return on fund assets in the year was £47k (2014: £82k).

Amounts recognised in the statement of financial activities

	2015 £'000	2014 £'000
Operating costs/(income)		
Current service cost (net of employee contributions)	246	214
Past service cost	-	-
Total operating charge	246	214
Finance costs/(income)		
Expected return on pension scheme assets	(50)	(39)
Interest on pension liabilities	110	123
Net finance costs/(income)	60	84
Total charge/(income)	306	298

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

Actuarial gains and losses recognised in the statement of financial activities

	2015 £'000	2014 £'000
Actuarial (gains)/losses on assets: actual return less expected	3	(7)
Experience (gains)/losses on liabilities	-	(200)
(Gains)/losses arising from changes in assumptions	(66)	18
Total (gains)/losses	(63)	(189)
Cumulative (gains)/losses to date	260	323

Movements in the present value of defined benefit obligations

	2015 £'000	2014 £'000
Obligations at 1 September 2014	(2,677)	(2,510)
Current service cost	(246)	(217)
Interest cost	(110)	(123)
Contributions by employees	(56)	(51)
Actuarial gains/(losses)	66	182
Benefits paid	23	42
At 31 August 2015	(3,000)	(2,677)

Movements in the fair value of scheme assets

	2015 £'000	2014 £'000
Assets at 1 September 2014	828	598
Expected return on assets	50	39
Actuarial gains/(losses)	(3)	7
Contributions by employers	190	172
Contributions by employees	56	51
Benefits paid	(23)	(39)
At 31 August 2015	1,098	828

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

History of experience gains and losses

	2015 £'000	2014 £'000	2013 £'000	2012 £'000
Present value of defined benefit obligations	(3,000)	(2,677)	(2,510)	(1,973)
Fair value of share of scheme assets	1,098	828	598	277
Surplus / (deficit)	<u>(1,902)</u>	<u>(1,849)</u>	<u>(1,912)</u>	<u>(1,696)</u>
Experience adjustment on scheme assets	(3)	7	42	-
Experience adjustment on scheme liabilities	-	200	-	-

19 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2015 £'000	2014 £'000
Net income	1,963	397
Capital grants and similar income	(2,883)	(587)
Investment income	(7)	(8)
Defined benefit pension costs less contributions payable	56	42
Defined benefit pension finance costs/(income)	60	84
Depreciation of tangible fixed assets	480	468
(Increase)/decrease in stocks	(1)	(2)
(Increase)/decrease in debtors	(151)	125
Increase/(decrease) in creditors	(51)	124
Net cash inflow/(outflow) from operating activities	<u>(534)</u>	<u>643</u>

20 Reconciliation of net cash flow to movement in net funds

	2015 £'000	2014 £'000
Increase/(decrease) in cash	60	121
Net funds at 1 September 2014	<u>1,086</u>	<u>965</u>
Net funds at 31 August 2015	<u>1,146</u>	<u>1,086</u>

21 Analysis of net funds

	At 1 September 2014 £'000	Cash flows £'000	Non-cash changes £'000	At 31 August 2015 £'000
Cash at bank and in hand	<u>1,086</u>	<u>60</u>	<u>-</u>	<u>1,146</u>

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

22 Commitments under operating leases

At 31 August 2015 the Academy Trust had annual commitments under non-cancellable operating leases as follows:

	2015 £'000	2014 £'000
Expiry date:		
- Within one year	4	1
- Between two and five years	13	5
	<u>17</u>	<u>6</u>

23 Capital commitments

	2015 £'000	2014 £'000
At 31 August 2015 the company had capital commitments as follows:		
Expenditure contracted for but not provided in the accounts	<u>44</u>	<u>2,412</u>

At 31 August 2015 the academy had capital commitments of £44k (2014:£2,412k) in respect of construction of new science laboratories, funding for which is being provided by capital grant and private capital donation.

24 Related parties

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

Expenditure of £400 (2014: £nil) took place with Sarah Dignasse Limited (company number 06924658). This is a related party by virtue of the fact that S Dignasse is both a Director of Benfleet Schools Trust and Director of Sarah Dignasse Limited. No balances were outstanding at the balance sheet date.

Income of £2,470 was received from Takely Education Trust T/A Woodlands School (company number 09451372). This is a related party by virtue of the fact Benfleet Schools Trust is a member of Takely Education Trust. No balances were outstanding at the balance sheet date.

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

25 Members' liability

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

BENFLEET SCHOOLS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

26 Agency arrangements

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

The academy trust distributes funds to other Essex schools on behalf of the 14-19 Area Planning Group. In the accounting period ended 31 August 2015 the trust disbursed £9,350 from the fund. At the 31 August 2015 an amount of £9,539 (2014: £18,889) is included within creditors: amounts falling due within one year relating to undistributed funds.