

The Boxing Academy Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2018

Company Registration Number: 09876066 (England and Wales)

The Boxing Academy Trust

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The Boxing Academy Trust

Reference and Administrative Details

Members

P Buchanan
J Abbott
R McIver
P Zanon (resigned 1 November 2017)
G Jones

Governors/Trustees

T Jaffe (Chair)
J Dove
A Aibangbee
J Daniels
A Afrifa-Kyei
R Craig (resigned 9 November 2017)
G Jones
J Kane
J Davis MBE
A Cain (appointed 1 September 2017)
(Principal and Accounting Officer)
A Iftikhar (appointed 20 September 2018)

Senior Management Team:

- Principal A Cain
- Head of Teaching and Learning D Gallagher
- Head of Student Services M Morrison
- Head of Boxing J Williams

Company Name	The Boxing Academy Trust
Principal and Registered Office	23 Hackney Grove, London, E8 3NR
Company Registration Number	09876066 (England and Wales)
Independent Auditor	Rowland Hall, 44-54 Orsett Road, Grays, Essex, RM17 5ED
Bankers	Lloyds Bank plc, 25 Gresham Street, London, EC2V 7HN
Solicitors	Stone King LLP, Boundary House, 91 Charterhouse Street, London, EC1M 6HR

The Boxing Academy Trust

GOVERNORS' REPORT

FOR THE FINANCIAL YEAR ENDING 31ST AUGUST 2018

The Governors present their report together with the financial statements and auditor's report of the charitable company for the 12-month period ended 31st August 2018. The annual report serves the purposes of both a trustee's report and a director's report under company law.

GOING CONCERN

The governors wish to confirm that educational activity at the Hackney site remains and will continue throughout the forthcoming construction project, which will increase the capacity of the school after completion in 2020.

The Boxing Academy Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence to the end of the 2018-19 financial year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The Boxing Academy Trust ("The Academy Trust") is a company limited by guarantee and an exempt charity. The Academy Trust incorporated as a company on 17th November 2015 and commenced operations as an Academy Trust on 1st May 2017, in accordance with its funding agreement with the Secretary of State dated 21st April 2017. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Governors act as the trustees for the charitable activities of the Academy Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as the Boxing Academy Trust and referred to as "The Academy Trust" or "The Boxing Academy" throughout this report.

Details of the trustees who served during the year to 31st August 2018 are included in the Governance Statement below.

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.

GOVERNORS (TRUSTEES) INDEMNITY

Governors benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty which may be guilty in relation to the Academy Trust.

Any such insurance shall not extend to any claim arising from any act or omission which the Governors knew to be a breach of trust or breach of duty or which was committed by the Governors in reckless disregard to whether it was a breach of trust or breach of duty or not. Any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as Directors / Members of the Academy Trust. The limit of the indemnity is £1,000,000.

The cost of this insurance for the period under review to the charitable company is detailed in the financial statements.

The Boxing Academy Trust

GOVERNORS' REPORT (Continued)

PRINCIPAL ACTIVITIES

To provide an alternative education for learners in Key Stage 4 who are in danger of social and educational exclusion. By combining basic education and mentoring with the discipline and ethos of boxing we seek to return our learners to education, training or employment, improve their health and happiness, and empower them to play a positive role in their communities.

The Principal of the Academy Trust shall have the powers and functions delegated by the Governors to direct the teaching and learning; the internal organisation and control of the Academy Trust and implement policies approved by Governors.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

The members may appoint up to 12 Governors in total. Members may appoint Staff Governors through such process as they may determine, provided that the total number of Governors, who are employees of the Academy Trust (including the Principal), does not exceed one third of the total number of governors. The Principal shall be treated as an ex officio Governor. The Secretary of State may appoint such additional Governors as he thinks fit if: he has given the Governors a warning notice in accordance with Article 60 and the Governors have failed to comply within the compliance period; or where following an Inspection by the Chief Inspector the Academy Trust receives an Ofsted grading which amounts to a drop in grading; or if a special Measures Termination Event occurs.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

Prospective Governors submit an application which is considered by the Chair and Vice Chair. The Chair of Governors meets with all new Governors and inducts them into their role. An induction pack is provided, and Governors are given the schedule of Governor training available externally.

ORGANISATIONAL STRUCTURE

The current governing body meets four times per year, and Terms of Reference exist for two sub-committees which meet on a regular cycle. These are the Progress Committee, which focuses on detail of standards and pastoral care, and the Finance and Resources Committee which will deal with detailed elements of financial matters as delegated by the Board of Governors.

The Board of Governors have devolved responsibility for the day-to-day management of the Academy Trust to the Principal, who is also the Accounting Officer.

RISK MANAGEMENT

The Governors have assessed the major risks to which the academy is exposed and appropriate systems, policies, procedures and controls have been put in place to ensure that the various risks do not impact adversely on the Academy's operations. Appropriate insurances are in place.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The governors and members of the Boxing Academy trust have completed a declaration of relevant interests for the period. There are no connected organisations or relationships to declare.

The Boxing Academy Trust

GOVERNORS' REPORT (Continued)

OBJECTIVES AND ACTIVITIES

The Boxing Academy caters for learners who are at risk of exclusion, or who have already been excluded, from mainstream education. We are a boxing family: the staff are caring and totally committed to building relationships with the learners, helping them to transform their view of education. We offer places for 40 boys and girls at Key Stage 4 currently with a reduced curriculum of 5 GCSEs or equivalent supplemented by a wide range of enrichment activities, and a clear pathway to further education and/or employment. This will increase as our premises expands so we can improve outcomes for our learners.

The Key Principles of the Boxing Academy that guide our operations and governance are:

CONSISTENCY

boundaries help children feel safe and learn

PERSISTENCE

do not give up, there is always hope

IMMEDIACY

deal with issues as they arise

TOUGH LOVE

discipline and emotional support go hand in hand

CONFLICT RESOLUTION

confrontation offers a chance to grow

CONSEQUENCES

take responsibility for your actions

REWARDS

learn to be successful one step at a time

OBJECTS AND AIMS

The Academy Trust will provide:

- High quality academic and vocational alternative education to learners aged 14-16 of all abilities
- A supportive and caring environment that meets the holistic needs of learners with a specialist focus on Personal Development, Behaviour and Welfare
- A wide range of progression opportunities, including apprenticeships and further education

An ethos that reflects our origins, that of a boxing gym: a small, comfortable and familial environment with clear boundaries, a system of rewards and an emphasis on discipline, achievement and hard work.

PUBLIC BENEFIT

The Academy Trust collaborates closely with local schools and local authorities in the East and North London area. All Boxing Academy learners are referred from local authorities or schools, usually in Hackney or the surrounding boroughs. These transitions are undertaken with a considerate referral process to ensure that a learner is best placed with the Academy. The proportion known to be eligible for Pupil Premium is significantly above national average at Key Stage 4.

Over 80% of our learners are BAME and we pride ourselves on the social, moral and spiritual harmony of cultures represented within our community. The Boxing Academy actively promotes opportunities to ensure that our learners' social, moral spiritual and cultural awareness is developed and challenged. The provision of curricular and extra-curricular activities at the Academy ensures that the learners have a range of broad learning experiences, which prepares them for life beyond compulsory education.

The trustees confirm that they have referred to the guidance contained in the Charity Commissioner's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning activities and setting policies

The Boxing Academy Trust

GOVERNORS' REPORT (Continued)

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

2018 Results and Outcomes (Comparisons against 2016-17 DfE published data)

	No. of pupils at the end of KS4	Percentage of pupils at the end of key stage 4						
		Attendance	English GCSE passes (1-9)	Maths GCSE passes (1-9)	English GCSE 5+	Maths GCSE 5+	Both English & maths GCSE 5+	Average Progress 8 score
Boxing Academy	20	87.4%	94%	100%	16%	10%	11%	+0.03
England AP	9,575	68.1%	80.2%	76.5%	6.2%	6.1%	1.5%	-3.10
England Mainstream	587,640	95.3%	90%	89%	49%	46%	40%	-0.08

- **94%** of Boxing Academy candidates passed **both English and maths GCSE**
- **11%** of Boxing Academy candidates achieved a **Grade 5 or above** for **both English and maths GCSE**; 1.5% nationally for AP
- **16%** of BA candidates achieved a **Grade 5 or above** for **English GCSE**; 6.2% nationally for AP
- **10%** of BA candidates achieved a **Grade 5 or above** for **mathematics GCSE**; 6.1% nationally for AP
- **100%** of leavers went on to an education or employment placement.

CURRENT PROGRESS

FINANCIAL

The Boxing Academy's income is obtained from a combination of top-up fees to commissioners and ESFA GAG funding.

There were no other grants received from the DfE during the year ended 31st August 2018. The Academy received a number of small donations from charitable sources, all of which were restricted to core costs (staff salaries).

The Trust's Fund balances at 31st August 2018 were in surplus by £45k. This is made up by Restricted Asset Funds being in surplus by £60k, whilst Restricted General Funds were in deficit by £15k, which included a pension fund deficit of £6k. The trustees have acknowledged that there was an over spend on the General Restricted Fund last year and have allocated unrestricted donations which have been received in the 17/18 year and further donations in 18/19 to rectify the over spend in 16/17.

The Boxing Academy Trust

GOVERNORS' REPORT (Continued)

PRINCIPAL RISKS AND UNCERTAINTIES

The Academy's principal risks and uncertainties are:

- The need to recruit learners from local authorities and schools, most of whom are suffering serious funding shortages
- Difficulty in recruiting and retaining suitably skilled staff, especially in Boxing expertise
- The disruption of the up-coming construction project which will take place around the school and during which it must remain open and fully functional

RESERVES POLICY

The policy of the Governors is to maintain a level of reserves that will be adequate to provide a stable base for the continuing operation of the Academy whilst ensuring that excessive funds are not accumulated.

Any deficit on the pension reserve relates to the Boxing Academy's pension deficit in connection with the LGPS pension scheme and is affected by actuarial assumptions and valuation techniques applied in valuing the present value of the scheme obligations, less associated scheme assets, and to this extent is outside of the direct control of Boxing Academy and its management team.

INVESTMENT POLICY

The Governors' policy is to invest surplus funds in low risk short term bank deposits.

PLANS FOR FUTURE PERIODS

Priorities for the future are to:

- Ensure a smooth transition is made into the new building
- Increase learner numbers after expansion
- Strengthen leadership and management capacity
- Achieve targets for stages of progress as agreed with the Governing Body
- Achieve a favourable outcome at the next Ofsted inspection (previously inspected as an Independent School in November 2016: rated Good overall, with Outstanding for Personal Development, Behaviour and Welfare)

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

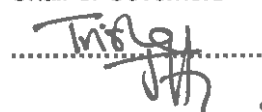
No assets or arrangements for safe custody and segregation have been given where The Academy Trust or its Governors are acting as custodian trustee.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The Governors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Governors have confirmed that they have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved by order of the Governing Board on 27/11/18 and signed on its behalf by:

T Jaffe
Chair of Governors



The Boxing Academy Trust

GOVERNANCE STATEMENT

FOR THE FINANCIAL YEAR ENDING 31ST AUGUST 2018

Scope of responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Boxing Academy 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.

During the year to 31st August 2018, the governing body delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Boxing Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governor's Report and in the statement of Governors' responsibilities.

The Governing Body has formally met 4 times during the academic year. Attendance during the year at meetings of the Full Governing Body was as follows:

Governor	Status @ 31 st August 2018	Meetings attended	Out of a possible
Trisha Jaffe	Active from 17 th July 2017	4	4
Andrew Aibangbee	Active from 1 st May 2017	3	4
Ama Afrifa-Kyei	Active from 1 st May 2017	3	4
Robert Craig	Resigned 7 th November 2017	1	1
Jo Daniels	Active from 1 st May 2017	3	4
Jonathan Davis	Active from 8 th May 2017	4	4
James Dove	Active from 1 st May 2017	2	4
Gareth Jones	Active from 1 st May 2017	4	4
James Kane	Active from 8 th May 2017	3	4

The governance structure comprises of two committees: the Progress and Curriculum Committee, which focuses on detail of educational standards and pastoral care, and the Finance and Resources Committee which covers detailed elements of financial matters as delegated by the Board of Governors. Terms of reference exist for both committee. Both committees meet three times per academic year.

The Boxing Academy Trust

GOVERNANCE STATEMENT (Continued)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 effectively, efficiently and economically. The system of internal control has been in place in the Boxing Academy since May 1st, 2018, and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

Capacity to handle risk

The Governing Body 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 Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31st August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

The risk and control framework

The 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 budget and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body
- regular reviews by the Governors 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 and capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

Review of effectiveness

As Accounting Officer, the Principal had responsibility for reviewing the effectiveness of the system of internal control and together with other Trustees will review them going forward.

Approved by the order of the members of the Governing Body on 27/11/18 and signed on its behalf by:


T Jaffe
Chair of Governors


A Cain
Accounting Officer

The Boxing Academy Trust

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE FINANCIAL YEAR ENDING 31ST AUGUST 2018

As accounting officer of The Boxing Academy Trust I have considered my responsibility to notify the 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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2017.

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



A Cain
Accounting Officer

The Boxing Academy Trust

Statement of Trustees' Responsibilities

The Trustees (who act as governors of The Boxing Academy Trust 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 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

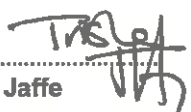
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of trustees on 27/11/18 and signed on its behalf by:


T Jaffe
Chair of Governors

The Boxing Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of The Boxing Academy Trust

Opinion

We have audited the financial statements of The Boxing Academy Trust (the 'academy trust') for the period ended 31st August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 2017 to 2018 issued by the Education and Skills Funding Agency.

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.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31st August 2018, and of its incoming resources and application of resources, including its income and expenditure, for the period 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 2017 to 2018 issued by the Education and 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.

The Boxing Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of The Boxing Academy Trust (continued)

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.

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 governors' report (incorporating the strategic report and the directors' report) for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the governors' report has 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 governors' 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.

The Boxing Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of The Boxing Academy Trust (continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, 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.

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: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. 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.



Dean Matthew Flood (Senior Statutory Auditor)
For and on behalf of Rowland Hall
Chartered Certified Accountants,
Statutory Auditor

44/54 Orsett Road,
Grays,
Essex
RM17 5ED
Date

5th December 2018

The Boxing Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to The Boxing Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 23rd October 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Boxing Academy Trust during the year 1st September 2017 to 31 August 2018 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 The Boxing Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Boxing Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Boxing Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Boxing Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Boxing Academy Trust's funding agreement with the Secretary of State for Education dated 1st May 2017 and the Academies Financial Handbook, extant from 1 September 2016, 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 2017 to 2018. 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 1st September 2017 to 31 August 2018 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 2017 to 2018 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.

The Boxing Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to The Boxing Academy Trust and the Education and Skills Funding Agency (continued)

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:

- Discussions with the accounting officer
- Reviewing minutes and the general control environment.
- Specific tests were undertaken to obtain assurance on income
- Sample testing on expenditure to ensure regularity and propriety of activities and a review of delegated authorities.

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 1st September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Dean Matthew Flood
Reporting Accountant
Rowland Hall Chartered Certified Accountants
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Essex
RM17 5ED

.....5th December 2018

The Boxing Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2018

(including Income and Expenditure Account)

		<u>Unrestricted</u>	<u>Restrict</u>	<u>Restrict</u>	<u>Total</u>	<u>Total</u>
		<u>Funds</u>	<u>d General</u>	<u>d Fixed</u>		
		<u>£000</u>	<u>Funds</u>	<u>Asset</u>	<u>2018</u>	<u>2017</u>
	Note		<u>£000</u>	<u>Funds</u>	<u>£000</u>	<u>£000</u>
Income and endowments from:						
Donations and capital grants	2	50	82	-	132	163
Transfer from LA on conversion		-	-	-	-	-
Charitable activities:						
Funding for the academy trust's educational operations	3	-	849	-	849	189
Other trading activities		-	-	-	-	-
Investments		-	-	-	-	-
Total		50	931	-	981	352
Expenditure on:						
Raising funds		-	-	-	-	-
Charitable activities:						
Academy trust educational operations	5	-	971	2	973	332
Other		-	-	-	-	-
Total		-	971	2	973	332
Net income / (expenditure)		50	(40)	(2)	8	20
Transfers between funds	13	(50)	43	7	-	-
Net income/(expenditure) for the period		-	3	5	8	20
Other recognised gains / (losses)						
Actuarial (losses) / gains on defined benefit pension schemes	13,20	-	17	-	17	-
Net movement in funds		-	20	5	25	20
Reconciliation of funds						
Total funds brought forward		-	(35)	55	20	-
Total funds carried forward		-	(15)	60	45	20

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

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

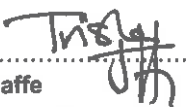
The Boxing Academy Trust

Company number 09876066

Balance Sheet as at 31 August 2018

	Notes	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Tangible assets	9		10		5
Current assets					
Stock	10	-	-	-	-
Debtors	11	23		26	
Cash at bank and in hand		76		49	
		<u>99</u>		<u>75</u>	
Liabilities					
Creditors: Amounts falling due within one year	12	(58)		(55)	
Net current assets			41		20
Total assets less current liabilities			<u>51</u>		<u>25</u>
Net assets excluding pension liability			<u>51</u>		<u>25</u>
Defined benefit pension scheme liability	20		(6)		(5)
Net assets including pension liability			<u>45</u>		<u>20</u>
Funds of the academy trust:					
Restricted income funds					
Fixed asset fund	13	60		55	
Restricted Income fund	13	(9)		(30)	
Pension reserve	13	(6)		(5)	
Total restricted funds			45		20
Unrestricted income funds	13		-		-
Total funds			<u>45</u>		<u>20</u>

The financial statements on pages 18 to 36 were approved by the trustees, and authorised for issue on 27.11.18 and are signed on their behalf by:


 T Jaffe
 Chair of Governors

The Boxing Academy Trust

Cash Flow Statement for the Year Ended 31 August 2018

	Notes	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	16	34	55
Cash flows from investing activities	17	(7)	(6)
Cash flows from financing activities		-	-
Change in cash and cash equivalents in the reporting period		<u>27</u>	<u>49</u>
Reconciliation of net cash flow to movement in net funds			
Cash and cash equivalents at 1 September 2017		49	-
Cash and cash equivalents at 31 August 2018	18	<u>76</u>	<u>49</u>

The Boxing Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

1. ACCOUNTING POLICIES

Statement of Accounting Policies

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

Basis of Preparation

The financial statements of The Boxing Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

The Boxing Academy Trust meets the definition of a public benefit entity under FRS 102.

Reporting period

The financial statements are presented for a full 12 month period. The comparative is presented for a period of 9 months which was to align the reporting date with the Academy academic year end.

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.

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

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. 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 period 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

The Boxing Academy Trust

- **Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other income**

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

- **Donated goods, facilities and services**

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

- **Donated fixed assets (excluding Transfers on conversion/into trust)**

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

Expenditure

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

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of any irrecoverable VAT, although the Trust has agreed a scheme with HMRC to recover most input tax.

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Tangible Fixed Assets

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

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

Computer Hardware	- on a straight line basis over 3 years
Motor Vehicles	- on a straight line basis over 5 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.

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 a straight line basis over the lease term.

Financial Instruments

The academy trust 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 notes 11. 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 12. 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 no obligation to deliver services rather than cash or another financial instrument.

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Stock

Stock would consist of catering stocks which are valued at the lower of cost or net realisable value. Due to the period end being after the summer holiday, stock is minimal and there is none to disclose within the financial statements.

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 the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, 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. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

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 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 and Skills Funding Agency/Department for Education.

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Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. DONATIONS AND CAPITAL GRANTS

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Restricted</u>	<u>Total</u>	<u>Total</u>
	<u>Funds</u>	<u>Funds</u>	<u>Fixed</u>	<u>2018</u>	<u>2017</u>
			<u>Asset</u>		
	<u>£000</u>	<u>£000</u>	<u>Funds</u>	<u>£000</u>	<u>£000</u>
			<u>£000</u>		
Capital grants	-	-	-	-	50
Donated fixed assets	-	-	-	-	6
Other donations	50	82	-	132	107
	<u>50</u>	<u>82</u>	<u>-</u>	<u>132</u>	<u>163</u>
2017 total	<u>-</u>	<u>107</u>	<u>56</u>	<u>163</u>	

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3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	<u>Unrestricted</u> <u>Funds</u> <u>£000</u>	<u>Restricted</u> <u>Funds</u> <u>£000</u>	<u>Total</u> <u>2018</u> <u>£000</u>	<u>Total</u> <u>2017</u> <u>£000</u>
Dfe/ESFA Grants				
General Annual Grant (GAG)	-	407	407	183
Other Dfe/ESFA Grants	-	-	-	-
	<u>-</u>	<u>407</u>	<u>407</u>	<u>183</u>
Other Government Grants				
Local authority grants	-	-	-	-
Special educational projects	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other income from the academy trust's educational operations	-	442	442	6
	<u>-</u>	<u>442</u>	<u>442</u>	<u>6</u>
		<u>849</u>	<u>849</u>	<u>189</u>
2017 total	<u>-</u>	<u>189</u>	<u>189</u>	

4. EXPENDITURE

	<u>Staff</u> <u>Costs</u> <u>£000</u>	<u>Non Pay Expenditure</u> <u>Premises</u> <u>£000</u>	<u>Other</u> <u>Costs</u> <u>£000</u>	<u>Total</u> <u>2018</u> <u>£000</u>	<u>Total</u> <u>2017</u> <u>£000</u>
Expenditure on raising funds	-	-	-	-	-
Academy's educational operations:					
· Direct costs	757	-	38	795	266
· Allocated support costs	20	51	107	178	66
	<u>777</u>	<u>51</u>	<u>145</u>	<u>973</u>	<u>332</u>
2017 total	<u>255</u>	<u>16</u>	<u>61</u>	<u>332</u>	

Net income/(expenditure) for the period includes:

	<u>2018</u> <u>£000</u>	<u>2017</u> <u>£000</u>
Operating leases rentals	-	1
Depreciation	2	1
Fees payable to auditor for:		
· audit	5	5
· other services	3	2

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5. CHARITABLE ACTIVITIES

		Total	Total
		2018	2017
		£000	£000
Direct costs - educational operations		795	266
Support costs - educational operations		178	66
		973	332
Analysis of support costs	Educational operations	Total	Total
		2018	2017
		£000	£000
Support staff costs	20	20	27
Depreciation	2	2	1
Technology costs	14	14	3
Premises costs	52	52	16
Other support costs	72	72	8
Governance costs	18	18	11
Total support costs	178	178	66
2017 total	66	66	

6. STAFF

a. Staff Costs

Staff costs during the period were:

	Total	Total
	2018	2017
	£000	£000
Wages and salaries	559	215
Social security costs	60	18
Operating costs of defined benefit pension schemes	101	22
	720	255
Supply staff costs	55	-
Staff restructuring costs	2	-
	777	255
Staff restructuring costs comprise:		
Severance payments	2	-
	2	-

b. Non statutory/non contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £1,843 (2017: nil). Individually, the payments were: £1,843.

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c. Staff numbers

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

	2018 No.	2017 No.
Teachers	5	5
Administration and support staff (pod leaders, of which were 6)	7	7
Management	3	3
	<u>15</u>	<u>15</u>

d. Higher paid staff

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

	2018 No.	2017 No.
£80,001 - £90,000	1	

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team 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 £265,375 (2017: £58,860)

7. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One trustee has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

A Cain (principal and trustee):

- Remuneration £80,000 - £85,000 (2017 (4 months): £25,000 - £30,000)
- Employer's pension contributions paid £10,000 - £15,000 (2017 (4 months): nil - £5,000)

During the year ended 31 August 2018, travel and subsistence expenses totalling £209 were reimbursed to trustees (2017: nil).

8. TRUSTEES' AND OFFICERS' 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 £1,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

The cost of this insurance is included in the total insurance cost.

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9. TANGABLE FIXED ASSETS

	<u>Computer Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
	£000	£000	£000
Cost			
At 1 September 2017	6	-	6
Additions	-	7	7
Disposals	-	-	-
At 31 August 2018	6	7	13
Depreciation			
At 1 September 2017	1	-	1
Charged in period	2	-	2
Disposals	-	-	-
At 31 August 2018	3	-	3
Net book values			
At 31 August 2018	3	7	10
At 31 August 2017	5	-	5

10. STOCK

The Trust does not operate a stock system for supplies. All purchases of non capitalised equipment and consumables are charged directly to the school budgets.

11. DEBTORS

	<u>2018</u>	<u>2017</u>
	£000	£000
Trade debtors	8	7
VAT recoverable	3	10
Other debtors	-	-
Prepayments and accrued income	12	9
	<u>23</u>	<u>26</u>

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12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2018</u>	<u>2017</u>
	<u>£000</u>	<u>£000</u>
Trade creditors	26	10
Other taxation and social security	16	16
Other creditors	9	20
Accruals and deferred income	7	9
	<u>58</u>	<u>55</u>

13. FUNDS BALANCE

	<u>Balance</u> <u>at</u> <u>01-Sept</u> <u>2017</u> <u>£000</u>	<u>Incoming</u> <u>Resources</u> <u>£000</u>	<u>Resources</u> <u>Expended</u> <u>£000</u>	<u>Gains,</u> <u>Losses</u> <u>and</u> <u>Transfers</u> <u>£000</u>	<u>Balance</u> <u>at</u> <u>31-Aug</u> <u>2018</u> <u>£000</u>
Restricted general funds					
General Annual Grant (GAG)	(43)	407	(379)	6	(9)
Comic Relief	-	51	(51)	-	-
Other Grants	13	473	(523)	37	-
Pension reserve	(5)	-	(18)	17	(6)
	<u>(35)</u>	<u>931</u>	<u>(971)</u>	<u>60</u>	<u>(15)</u>
Restricted fixed asset funds					
Donated Fixed Assets	5	-	(2)	-	3
Capital grants on transfer	50	-	-	-	50
Capital Expenditure from GAG	-	-	-	7	7
	<u>55</u>	<u>-</u>	<u>(2)</u>	<u>7</u>	<u>60</u>
Total restricted funds	<u>20</u>	<u>931</u>	<u>(973)</u>	<u>67</u>	<u>45</u>
Total unrestricted funds	<u>-</u>	<u>50</u>	<u>-</u>	<u>(50)</u>	<u>-</u>
Total funds	<u>20</u>	<u>981</u>	<u>(973)</u>	<u>17</u>	<u>45</u>

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

General Annual Grant (GAG) income must be used for educational purposes by the Academy Trust including salary costs, overheads, premises costs and curriculum costs. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit of GAG that it could carry forward at 31 August 2018.

Capital Grants (i.e. devolved formula capital and Academy's capital maintenance fund grants) are used for maintaining the property and the assets within the Academy Trust.

Comic Relief grant is a restricted fund that is to be used for the charitable purposes of the Academy and used on staff salaries.

The trust is carrying a net deficit of £9k on restricted general funds (excluding pension reserve) plus unrestricted funds because of an overspend in the previous period, which the trustees have acknowledged and have allocated unrestricted donations which have been received in the 18/19 year to rectify the over spend in 16/17.

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Comparative information in respect of the preceeding period is as follows :

	<u>Balance</u> <u>at</u> <u>01-Dec</u> <u>2016</u> <u>£000</u>	<u>Incoming</u> <u>Resources</u> <u>£000</u>	<u>Resources</u> <u>Expended</u> <u>£000</u>	<u>Gains,</u> <u>Losses</u> <u>and</u> <u>Transfers</u> <u>£000</u>	<u>Balance</u> <u>at</u> <u>31-Aug</u> <u>2017</u> <u>£000</u>
Restricted general funds					
General Annual Grant (GAG)	-	183	(226)	-	(43)
Other Grants	-	113	(100)	-	13
Pension reserve	-	-	(5)	-	(5)
	-	296	(331)	-	(35)
Restricted fixed asset funds					
Donated Fixed Assets	-	6	(1)	-	5
Capital grants on transfer	-	50	-	-	50
	-	56	(1)	-	55
Total restricted funds	-	352	(332)	-	20
Total unrestricted funds	-	-	-	-	-
Total funds	-	352	(332)	-	20

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	10	10
Current assets	-	49	50	99
Current liabilities	-	(58)	-	(58)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(6)	-	(6)
Total net assets	-	(15)	60	45

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Comparative information in respect of the preceeding period is as follows :

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	5	5
Current assets	-	25	50	75
Current liabilities	-	(55)	-	(55)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(5)	-	(5)
Total net assets	-	(35)	55	20

15. FINANCIAL COMMITMENTS

Operating Leases

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under no-cancellable operating lease was:

	2018 £000	2017 £000
Amounts due within one year	4	4
Amounts due between one and five years	2	7
Expiring in over five years	-	-
	6	11

No operating leases were in place for land or buildings

16. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £000	2017 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	8	20
Adjusted for:		
Depreciation (note 9)	2	1
Defined benefit pension scheme obligation inherited	-	-
Defined benefit pension scheme cost less contributions payable (note 20)	1	5
Defined benefit pension scheme finance cost (note 20)	17	-
Decrease/(increase) in debtors	3	(26)
Increase/(decrease) in creditors	3	55
Net Cash provided by / (used in) Operating Activities	34	55

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17. CASH FLOWS FROM INVESTING ACTIVITIES

	<u>2018</u> £000	<u>2017</u> £000
Purchase of tangible fixed assets	(7)	(6)
Net cash outflow from capital expenditure and financial investment	(7)	(6)

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	<u>At 31st August 2018 £000</u>	<u>At 31st August 2017 £000</u>
Cash in hand and at bank	76	49
Total cash and cash equivalents	76	49

19. 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.

20. 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 Hackney Council. Both are multi employer defined-benefit pension schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2016.

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

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.

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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)
- 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 period the employer contribution rate was 16.4%. 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 TPS in the period amounted to £35,534 (2017: £2,547).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £60,000 (2017: £21,000), of which employer's contributions totalled £48,000 (2017: £17,000) and employees' contributions totalled £12,000 (2017: £4,000). The agreed contribution rates for future years are 17% for employers and 3 to 5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal Actuarial Assumptions	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.4%	3.5%
Rate of increase for pensions in payment / inflation	2.3%	2.4%
Discount rate for scheme liabilities	2.8%	2.5%
Commutation of pensions to lump sums	50%	50%

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

	<u>At 31 August 2018</u>	<u>At 31 August 2017</u>
<i>Retiring today</i>		
Males	22.2	22.2
Females	24.2	24.2
<i>Retiring in 20 years</i>		
Males	23.6	23.6
Females	25.7	25.7

Sensitivity analysis	<u>At 31 August 2018</u> £	<u>At 31 August 2017</u> £
Discount rate +0.1%	(4,000)	(1,000)
Discount rate -0.1%	4,000	1,000
Mortality assumption – 1 year increase	4,000	1,000
Mortality assumption – 1 year decrease	(4,000)	(1,000)
CPI rate +0.1%	4,000	1,000
CPI rate -0.1%	(4,000)	(1,000)

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

	<u>Fair value at 31 August 2018</u> £	<u>Fair value at 31 August 2017</u> £
Equities	63,750	16,000
Other Bonds	12,750	4,000
Property	8,500	2,000
Total market value of assets	<u>85,000</u>	<u>22,000</u>
Present value of scheme liabilities - Funded	<u>(91,000)</u>	<u>(27,000)</u>
(Deficit) in the scheme	<u>(6,000)</u>	<u>(5,000)</u>

The actual return on scheme assets was £2,000. (2017 - £1,000)

Amounts recognised in the statement of financial activities

	<u>2018</u> £	<u>2017</u> £
Current service cost (net of employee contributions)	65,000	22,000
Net interest cost	1,000	
Total operating charge	<u>66,000</u>	<u>22,000</u>

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

	<u>2018</u>	<u>2017</u>
	£	£
At 1 September 2017	27,000	-
Current service cost	65,000	22,000
Past service cost	-	-
Interest cost	2,000	-
Employee contributions	12,000	4,000
Actuarial (gain)/loss	(15,000)	1,000
Benefits paid	-	-
At 31 August 2018	<u>91,000</u>	<u>27,000</u>

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

	<u>2018</u>	<u>2017</u>
	£	£
At 1 September 2017	22,000	-
Return on plan assets (excluding net interest on the net defined pension liability)	2,000	1,000
Interest income	1,000	-
Administration expenses	-	-
Actuarial gain/(Loss)	-	-
Employer contributions	48,000	17,000
Employee contributions	12,000	4,000
Assets distributed on settlements	-	-
Benefits paid	-	-
At 31 August 2018	<u>85,000</u>	<u>22,000</u>

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 academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

No related party transactions took place in the period of account.

22. EVENTS AFTER BALANCE SHEET DATES

There are no events which have taken place since 31st August 2018 which either required adjusting entries or which require recognition in the notes.