

THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

**THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**THE BLACK PEAR TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016**

Trustees

A M Burkert^{1,3}
P A Clayton, Vice Chair of Trustees^{1,2,3}
P Clayton²
P J Collins^{1,3}
J Cook^{1,2}
V D Cranton, Headteacher^{1,2,3}
D P Davies^{1,2}
A Maciaszek-Skubinska^{1,2}
J M Harkins^{1,2}
C Hunt²
T Reed²
P D Shoesmith, Chair of Trustees^{1,3}
S E Wood^{1,3}

¹ Member

² Learning & Teaching

³ Finance

**Company registered
number** 08922754

Company name The Black Pear Trust

**Principal and registered
office** Hollymount Road
Worcester
Worcestershire
WR4 9SG

Accounting Officer V D Cranton

**Senior management
team**

V D Cranton, Headteacher
A Donnelly, Deputy Headteacher
S E Wood, Deputy Headteacher
E Pritchard, Assistant Headteacher
R Hussain, Assistant Headteacher
L Weston, Inclusion Manager

Independent auditors Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Bankers Lloyds Bank PLC
4 The Cross
Worcester
WR1 3PY

Solicitors Kippax Beaumont Lewis
28 Mawdsley Street
Bolton
BL1 1LF

**THE BLACK PEAR TRUST
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2016. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates a School for pupils aged 2 to 11 in Worcester. It has a pupil capacity of 393 (calculated by pupil admission number not building capacity) and had a roll of 372 in the school census in January 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The School 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 School Trust.

The Trustees of The Black Pear Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Hollymount School.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

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 they ceased to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the School Trust's expense to cover the liability of the Trustees 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 of which they may be guilty in relation to the School Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the School Trust. The limit of this indemnity is £10,000,000.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

On June 1st 2014 the Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed School. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the School's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The School has a Trustee Recruitment, Induction and Training policy available from the Clerk to the Trustees.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the School and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Organisational Structure

The Board of Trustees meets at least once each term. The Board establishes an overall framework for the governance of the School and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 2 committees as follows;

- Finance, Audit and Premises Committee (including Health and Safety) - this meets at least three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.
- Teaching and Learning Committee - this meets once a term to monitor, evaluate and review School policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the School to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher and Deputy Headteacher the Inclusion manager and the Early Years Leader who are assistant headteachers. The SLT implement the policies laid down by the Trustees and report back to them on the school performance.

The Principal is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees and the senior leadership team comprise the key management personnel of the School in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings.

The Trustees benchmark against pay levels in other Academies of a similar size. The benchmark is the mid-point of the range paid for similar roles.

Connected Organisations, including Related Party Relationships

Paul Shoesmith is a Trustee of the Black Pear Trust and a Director of not for profit social enterprise Independent Education and Technology Associates Limited (IET Associates). The company is limited by guarantee and there are therefore no shareholders. Since November 1st 2015, he has also been a director of Paul Shoesmith Consulting Limited, and his personal remuneration all comes through that company and not through IET Associates. IET Associates runs termly events for schools known as the Leading Leaders Network. During the financial year from 1st September 2015 to 31st August 2016 two staff from Hollymount School attended 3 Leading Leaders Network events at a total cost of £1,810 plus VAT. This represented 9 person days of CPD and included overnight accommodation, meals and facilitated visits and learning walks at a total of 4 other schools. The events were run on a breakeven basis, and charges were set purely on a cost recovery basis. One Director of IET Associates (not Paul Shoesmith) received payment for time spent on organising the events, but all three events were run at a loss, with the loss being met from income from overseas consultancy in a previous financial year. Paul Shoesmith did attend the events, and the costs of his accommodation and meals, and those of another Director who also received no payment for his time, were included in the break even calculations.

The School has strong collaborative links with Worcester primary schools through the Worcester City heads group and with other Worcestershire schools through the Worcestershire Primary Schools Partnership. These organisations provide support networking and CPD, are non-profit making funded through nominal subscription fees agreed by the members.

This year the School were delighted to finally receive a minibus from The Variety Club. Reading help in the

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

School is supported by the Rotary Club who have volunteers who give of their time freely and whose training is paid for by the Rotary Club. The Rotary Club also organise different events for the school e.g. speech contest, dictionaries for leaver etc.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Charitable Company is the operation of Hollymount School to provide free education and care for pupils of different abilities. The School's specialism is primary education including a Nursery for children aged from two years. The School is pleased to be recognised by the local authority as being an example of effective practice for children with English as an additional language and for the inclusion of children with a range of SEND.

The aims of the School during the year ended 31 August 2016 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils;
- to provide a broad and balanced curriculum, including extra curricular activities;
- to develop pupils as more effective learners;
- to develop the School site so that it enables pupils to achieve their full potential;
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to improve the effectiveness of the School by keeping the curriculum and organisational structure under continual review;
- to maximise the number of students who achieve at least expected levels at SATs;
- to provide value for money for the funds expended;
- to develop greater coherence, clarity and effectiveness in school systems;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain links with community groups, industry and commerce appropriate to primary education;
- to develop the School's capacity to manage change; and
- to conduct the School's business in accordance with the highest standards of integrity, probity and openness.

Objectives, Strategies and Activities

Key priorities for the year are contained in our School Development Plan which is available from the School Office. Improvement focuses identified for this year include:

- Effective Communication particularly through speaking and listening across the whole curriculum throughout the school.
 - To improve sentence construction and grammar.
 - Pupils are confident and assured when communicating with peers and adults in a range of situations.
 - Matched learning; ensuring individuals and groups are challenged within their learning to enable good progress.
 - Ambitious targets were set for the end of KS2 SAT assessments, including minimum 70% of pupils to attain age expected standards in the core subjects with 30% of pupil attainment at greater depth.
- Improvement of GPAS by 10%

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The School provides facilities for recreational and other leisure time occupation for the community's children during the holidays in the interests of social welfare and with the interest of improving the life of the said community. The local Scout Association often use our facilities as do the Housing Association and a local football club.

As a School we have a duty to support other schools. Our main named school that has been supported is The Fairfield Community Primary. We support Fairfield through our leadership skills. Hollymount also received accreditation as a lead school for Achievement for All (AfA) in July 2016. In addition two local schools visited to view our behaviour management strategies.

STRATEGIC REPORT

Achievements and Performance

The School is in its second year of operation and has exceeded the forecast number of students. The total number of students in the year ended 31 August 2015 was 309 but this has increased to 361 in September 2015 due to an increased Reception year intake. The School is full in two year groups and has a waiting list in operation.

Due to the new type of assessments this year DfE recommended that comparisons of data should not be made, however we believe generally our pupils results were at least in line with last year and were better in some areas. Nationally schools' results fell in KS2 SATs. This demonstrates the excellent teaching of the staff at Hollymount School. The table overleaf summarises the key headlines.

<u>Groups</u>	<u>Key Statements</u>
Attainment at EYFS	The percentage of pupils leaving Reception with a good level of development was 56%, 13% below national figures. This was in line with results the previous year, maintaining the upward trend established over the past three years.
	The percentage of children achieving certain prime early learning goals has risen following school focus: All Communication and Language from 58% to 76%; Health and Self-care from 71% to 91%.
	Pupil mobility (an issue across the school) affects data comparisons. 2 children who would have reached GLD left the school at the beginning of the summer term.
Progress EYFS	School evidence suggests that children make at least good progress from starting points which are below, and often well below what is typical for their age at the beginning of Reception or Nursery
Attainment Year 1 Phonics	The proportion of pupils that met the expected standard in phonics-82% was in line with the national figure in year 1. This matches the 2014 pattern and reverses the dip in 2015.
Attainment Year 2 Phonics	By the end of Year 2 the proportion of the children meeting expected the standard was 95% - 4% above the national figure.
Disadvantaged Phonics	The proportion of disadvantaged pupils meeting the expected standard in phonics was 70% - in line with national figure for disadvantaged, but 13% below that for non-disadvantaged.
Attainment at KS1	Children's attainment at the expected (60%) and higher (7%) standard is in line with national figures in reading, writing and maths combined. By comparison, overall APS for 2015 and 2014 were significantly below national figures.
	The proportion of pupils reaching and exceeding the expected standard in reading is broadly in line with the national figures. By comparison, APS for Reading in 2015 and 2014 were below national figures, significantly below in 2015.
	The proportion of pupils reaching and exceeding the expected standard in writing is broadly in line with the national figures. By comparison, APS for Writing in 2015 and 2014 were below national figures, significantly below in 2015.
	The proportion of pupils reaching and exceeding the expected standard in maths is in line with the national figures. By comparison, APS for Maths in 2015 and 2014 were below national figures.

Progress At KS1	All children made progress in line with national average for the expected standard (+7) and higher standard (+0) in reading, writing and maths combined.
	In 2014, the proportion of matched children judged to be working at a Good Level of Development was 44%. From starting points 17% below national figures at the beginning of KS1, this cohort has made at least good progress across KS1 to leave KS1 working in line with national figures.
	100% of the prior attainment group GLD Yes at end EYFS reached the KS1 expected standard in reading, writing and maths. This is +7%, +14%, +9% respectively above national. This proportion of this group also reaching GDS is broadly in line with national figures
	In Reading, these prior attainment groups are above national figures : Expected → Expected +; these are below national figures : Emerging → Expected +, Expected → Greater Depth, Exceeding → Greater Depth.
	In Writing , these prior attainment groups are above national figures : Expected → Expected +
	In Maths , these prior attainment groups are above national figures : Emerging → Expected +, Expected → Expected +, Expected → Greater depth
Disadvantaged	There is no gap in school between the attainment of disadvantaged and non disadvantaged pupils.
	100% of disadvantaged, prior expected attainers, met the expected standard in Reading, Writing and Maths.
	Two less children in the disadvantaged, prior exceeding standard group made greater depth in reading than would have been expected.
	Two less children in the disadvantaged, prior emerging standard group made expected in writing than would have been expected.
SEND	Although not reaching expected standard, in school data shows that this group made at least satisfactory progress in reading and good progress in writing and maths from low starting points.
EAL	EAL children, attained 11% lower than all children nationally in reading, they attained similar results in writing compared to national all pupils (-2%) and 6% higher in maths (79%) Of the 24 children in the EAL cohort, 7 have been in the country less than two years.

Girls/Boys	A greater % of boys reached at least the expected standard in reading and maths compared to boys nationally and in line with writing.
	A smaller % of girls reached at least the expected standard in reading, writing and maths compared to girls nationally.
	100% of girls/boys prior expected attainers met the expected standard in writing and maths this is significantly above national
	A greater percentage of boys prior emerging attainers achieved expected standard in maths which is significantly above national figures.
Attainment at KS2	The proportion of pupils reaching at least the expected standard in Reading, Writing and Maths was 62%, 9% above the national figures. There is a strong upward trend in the proportion of children reaching expected standards. In 2015 the proportion was 3% above the national (L4 and above), and in 2014 it was 2% below. The five-year trend of overall APS from 2011 – 2015 has shown a steady year on year increase, closing the gap on national figures.
	The percentage of all pupils attaining expected levels or higher in reading (+4%) and maths (+6%), are greater than national figures and below in writing (-6%) and in GPS (-15%)
	The % of pupils achieving greater depth in reading, writing and maths is line with national figures.
	The average scaled score for 'all' pupils in reading and maths are in line with national figures. (Reading 102.5 and Maths 102.8), but below in GPS (101.7)
Progress at KS2	Valued added progress in reading (+2.79) and maths (+1.93) for all children is significantly above the national average. From their different starting points pupils make at least good progress or better.
	A significantly higher proportion of middle attainers achieved expected standard in combined R, W,M and in Reading compared to the same group nationally
	KS2 progress was in line with or above national figures and not significantly below for any prior attainment group in any subject (except emerging writing)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Disadvantaged	The % of disadvantaged children achieving expected standard (58%) in combined R, W, M is in broadly in line (-2%) with non-disadvantaged pupils nationally.
	A higher % of matched disadvantaged middle and higher attaining pupils achieved expected or above in Reading and Maths compared to non-disadvantaged nationally
	Matched pupils with middle prior attainment have progress scores above non-disadvantaged pupils of the same prior attainment band in Reading Writing and Maths.
	A significantly higher proportion of disadvantaged middle and high prior attainers achieved expected standard in combined R, W, M compared to All group nationally.
	When compared to national, disadvantaged children Hollymount children made more progress in reading (+1.06) and a much greater % achieved the expected and higher standard.
	When compared to national, disadvantaged children Hollymount children made more progress in maths (+0.26) and a greater % achieved the expected standard.
SEND	SEND support group made greater progress in reading compared to 'all' national; this is the same for middle attaining SEND support
EAL	A higher % of EAL pupils reached expected standards for maths (+12%) compared to all pupils nationally. A higher % of EAL pupils reached national average in R, W, M compared to EAL pupils nationally
	The progress of EAL children is line with the top 10% of schools nationally and are the top achieving group within school data
Girls/Boys	The overall progress for girls and boys is above national for reading and maths. However, in school progress shows girls made better progress than boys in reading and boys made better progress than girls in maths.
	In writing girls progress is above national average for writing however boys writing progress is below national figures, this is due to the smaller cohort size and the high proportion of SEND within this group
	A significantly higher % of middle prior attaining girls reached the expected standard in reading writing and maths.
	Girls achieved a higher scaled score in maths compared to girls nationally and similar scaled in reading

Other notable achievements are:

- Attendance has maintained last year's rise and stands at 96%.
- AFA Lead award was achieved.
- Two independent reviews of the school were successful.
- A non-qualified teacher trained by the school successfully achieved his qualifications with "outstanding" grades.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

- School sporting teams were successful – particularly boys and girls football, who both won local competitions.
- Behaviour continues to improve. The vast majority of children's behaviour is exemplary both in and outside school. When on visits the general public continue to remark on how smart and well behaved our children are. Over 20,000 housepoints were given out during 2015/2016.
- The highest number of children took part in after school clubs with almost three quarters of over 5s taking part during the year.

The School has managed to maintain small class sizes. All classes have a teaching assistant, which is a valuable addition to the classroom. During the summer holidays the School completed the building of the two new classrooms to maintain smaller class sizes (no bigger than 25).

Our few parent volunteers have been helping in School this year. Their commitment to the children and School is inspirational. They have helped with reading, writing, maths, drama, clubs, events and trips out of school.

To ensure that standards are continually assessed, the School operates a programme of lesson observations, which are undertaken by Middle and Senior Leaders.

Continuing professional development for staff has been very successful with Mr Davies becoming a qualified teacher and Miss Parker completing her NQT year. IRIS became integral to the improvement of teaching and learning with action research projects led within phases. An outside consultant led work with the TAs using IRIS to view practice. Mrs Bartlett started her NASBM. The Trust also had two members of SLT trained as LA moderators which was extremely helpful in ensuring the school met the new assessment criteria introduced nationally this year.

The School has established close links with Nunnery Wood Primary School and Fairfield Community Primary School. The three Schools are embarking on mutual staff development, with the primary aim of driving up standards e.g joint moderation of maths, writing and reading. The school continues to associate with the City Heads group which provides networks for subject leaders, deputy heads and heads; CPD; liaison with LA bodies such as Children's services.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. At the end of August 2015, £260,372 of restricted funds were carried forward, together with £1,918,141 Restricted Fixed Assets Funds and £176,655 Unrestricted Funds. This is offset by the pension deficit of £751,000 leaving net assets at 31st August 2015 of £1,604,168..

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2015/16 were 372 including nursery children, an increase of 46 over 2014/15. It is anticipated that this number will continue to rise.

Income for the year was £82,000 above the forecast budget, this was mainly due to additional income from staff consultancy but also includes income from UIFSM, Pupil premium and donations.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

The following KPIs were set at the start of the year:

	Budget	Actual
GAG carry forward %	6.9%	6.32%
Pupil to teacher ratio	16.76	16.91
Teaching to non-teaching staff ratio	1 : 1	1 : 0.92
Student attendance %	96.1%	95.9%
Total income per pupil	£5772	£5701
Total GAG per pupil	£5015	£4765
Ratio of GAG to total income	72.62%	67.40%
Staff costs per pupil	£4141	£3384
Ratio of staff costs to total income	71.75%	70.46%
Ratio of pension cost to staff costs	9.91%	13.79%
Total learning resources costs per pupil	£552	£339
LGPS deficit per pupil	£1649	£2635
LGPS deficit per non-teaching staff member	£10217	£16326

The increase in pupil number has resulted in variances between budgeted targets and actual KPI noticeable in the total GAG to pupil income & staff costs per pupil.

There is a significant variance between the budgeted and actual KPIs for the LGPS. This is due to the revaluation of the pension by Worcestershire County Council in August 2016 which has resulted in an increase in the pension deficit.

Going Concern

After making appropriate enquiries, the Board of Trustees 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

Financial Review

Most of the School's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2016 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The School also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the School's accounting policies.

During the year ended 31 August 2016, the School received total income of £2,120,922 and incurred total expenditure of £1,991,027. The excess of income over expenditure for the year was £129,895.

At 31 August 2016 the net book value of fixed assets was £1,888,981 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the School.

The School has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 22 to the financial statements.

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**TRUSTEES' REPORT (continued)
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Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Reserves Policy

The Trustees review the reserve levels of the School annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the School, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be approximately equal to one month's EFA funding. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or a fall in pupil numbers resulting in losing a class but not wanting to lose a teacher. Total reserves of the School (excluding defined benefit pension scheme reserve) amount to £2,355,168, although £1,918,141 of this is invested in fixed assets or represents non GAG restricted funds. The remaining £437,027 (representing £176,655 unrestricted funds, £70,000 unspent Academy conversion funding, £95,250 unspent Primary Academy Chain Development Grant and £95,122 unspent GAG) is the balance that the Trustees monitor in accordance with the Board's reserves policy.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the School Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the School Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the School Trust.

Investment Policy

All funds surplus to immediate requirements are invested in a low risk account immediate access account. Funds were needed for capital works i.e. the two new classrooms so long term investments were not sought however in future where cash flow allows, sums in excess of £100,000 may be invested on deposit for extended periods.

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk.

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major risks to which the School Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the School are as follows:

Financial - the School has considerable reliance on continued Government funding through the EFA. In the last year 100% of the School's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. Particularly finance has been affected by the delay in fairer funding.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the School's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks. Mrs Bartlett is on the NASBM course.

Reputational - the continuing success of the School is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that pupil success and achievement are closely monitored and reviewed. They are mindful that the school may be adversely affected by 'Brexit' as the school has a high number of children from other European countries.

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**TRUSTEES' REPORT (continued)
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Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the School is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The School has appointed a Responsible Officer/internal audit to carry out checks on financial systems and records as required by the School Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The School has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Trustees have assessed the major risks to which the School is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Finance and Audit Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the School had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), is substantial and represents a significant potential liability. However as the Trustees consider that the School is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised. The school is concerned that this increases substantially each year and is also affected by the recent volatile financial markets.

PLANS FOR FUTURE PERIODS

Our planning for future is described below in brief. Full details of our plans for the future are given in our School Development Plan, which is available on our website or from the School Office.

The School will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The School will continue to aim to attract high quality teachers and support staff in order to deliver its objectives. This year we were particularly pleased by the number of talented applicants who applied for posts within the school.

The School will continue to work with partner schools to improve the educational opportunities for students in the wider community.

Application of a successful capital funding bid, the School will commence construction a new block of Reception toilets to improve safety for Reception children and improve the condition of the corridors which are rotting, need re-roofing and leak water when it rains.. The Board of Trustees plans to utilise the majority of existing reserves and any surplus from 2016/17 towards this project. The project is due for completion in July 2018.

We plan to maintain small class sizes with a teaching assistant in each class which will reflect in academic outcomes being improved.

**THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Due to our success in working with other schools, we have been asked to sponsor The Fairfield Community Primary School and to support the Head Teacher and the Senior Leadership Team through their conversion to an Academy within our trust.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The School and its Trustees do not act as the Custodian Trustees of any other Charity.

TRUSTEES INDEMNITIES

There were no third party indemnity provisions during the year or at the date of approval of the Trustees' report.

AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' Report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on 6 Dec 2016 and signed on the board's behalf by:



**P A Clayton
Vice Chair of Trustees**

THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, 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 The Black Pear 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 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
A M Burkert	5	5
P A Clayton, Vice Chair of Trustees	5	5
P Clayton	2	5
P J Collins	5	5
J Cook	4	5
V D Cranton, Headteacher	4	5
D P Davies	3	5
A Maciaszek-Skubinska	5	5
J M Harkins	1	5
C Hunt	5	5
T Reed	3	5
P D Shoesmith, Chair of Trustees	4	5
S E Wood	0	5

S E Wood was on maternity leave during the period.

The **Finance and Audit Committee** is a sub-committee of the main Board of Trustees. Its purpose is to:

- To guide and assist the Governing Body and Principal in all matters relating to budgeting and finance.
- To prepare the annual budget for the approval of the Governing Body.
- To oversee the preparation of the 3-year budget plan and ensure it links with the School Development Plan priorities agreed by the Governing Body.
- To monitor and review day-to-day financial management of the school budget for the approval of the Governing Body.
- To make sure all resources are allocated in line with the school's strategic priorities.
- To ensure all assets and financial resources are efficiently used.
- To benchmark school financial performance and report it to the full Governing Body.
- To review and update the Financial Policy annually and recommended levels of delegation.
- To make decisions concerning awards of tendered contracts and take part in the tendering process where appropriate.
- To report on the school's finances at full Governing Body meetings.
- To ensure accurate accounts are kept.
- To monitor monthly expenditure and ensure corrective action is taken when necessary.
- To ensure that all financial transactions are in line with best value principles.
- To receive the auditors' report and to recommend to the Board of Governors action as appropriate in response to audit findings.
- To ensure the school maintains an up-to-date asset register.
- To annually review Governors' allowances.
- To review financial policy statements, including consideration of long term plans and resources for the

**THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

- approval of the Governing Body.
- To ensure that non-public funds (e.g. the school's private funds) are audited annually and that a certificate of audit is presented to the Governing Body.
- To evaluate and present the annual statement of Internal Controls to the Governing Body.

Issues met during the last 12 months:

- Maintaining an appropriate reserve amount.
- Tendering, financing and appointing contractors for two new classrooms.
- Sponsorship and support of a local school in special measures.

During the year there were no changes to the finance committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
P D Shoesmith (Chair of Finance Committee)	3	3
V D Cranton	2	3
S E Wood	0	3
P A Clayton	1	3
P J Collins	3	3
A M Burkert	3	3

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy 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 Academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by:

Achievement and Attainment

- The percentage of pupils leaving Reception has maintained last year's high at 54%.
- The percentage of children achieving a number of key strands has risen following school focus:
- Communication and language 76%; risen from 70%
- Health and Self-care 91%; risen from 80%
- At Year 1, 82% of children reached the phonic assessment threshold, in line with national results.
- In KS1 all results are in line with national expected figures: Reading 69%; writing 60%; 72% maths; science 79%. In real terms, this shows accelerated progress due to the rise in the expected standard.
- At KS2 the combined percentage of children achieving the expected standard in reading, writing and maths is far exceeding national figures – 66% compared to 53%. The percentage of children attaining the expected level in reading and maths is above national figures; reading 73%, maths 76% (unvalidated figures). Again this shows good progress from the percentage of this cohort reaching expected standards at KS1.
- Attendance has maintained last year's rise and stands at 96%.

Resources

- Governors and senior members of staff deploy equipment, materials and services to provide students and staff with resources which support quality of teaching and quality of learning. Monitoring of spend on resources is effective in reducing unnecessary purchasing.

GOVERNANCE STATEMENT (continued)

Purchasing

Governors and senior members of staff have procedures in place for assessing need and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time and cost. These include:

- A competitive tendering procedure for goods and services above £20,000, three written quotes for goods and services over £5,000.
- Procedures for accepting "best value" quotes which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship).
- The use of a Black Pear Trust credit card enables the school to purchase low value items which minimises administration cost.
- An annual budget is prepared in line with the needs identified within the School Development Plan.
- Regular monitoring and review of all aspects of finance through the Finance and Audit Committee, with detailed financial statements discussed.

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 ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 The Black Pear Trust for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy 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 Academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The Academy'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 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 Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Bishop Fleming LLP, the external auditors, to perform additional checks.

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

- Employment contracts
- Accounting systems

**THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

- Payroll
- Income
- Expenditure
- Systems & procedures

On a quarterly basis, the auditors report to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Headteacher 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 external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy 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 external auditors and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on *6th Dec 2016* and signed on their behalf, by:



P A Clayton
Vice Chair of Trustees



V D Cranton
Accounting Officer

**THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Black Pear Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State 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 board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and noncompliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

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 EFA.



V D Cranton
Accounting Officer

**THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees (who act as governors of The Black Pear Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- 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 the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:



**P A Clayton
Vice Chair of Trustees**

Date: 6th Dec 2016

**THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES
OF THE BLACK PEAR TRUST**

We have audited the financial statements of The Black Pear Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Academy 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.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements 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 FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

**THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES
OF THE BLACK PEAR 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Andrew Wood FCCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

1-3 College Yard

Worcester

WR1 2LB

Date: *12th December 2016*

**THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE BLACK PEAR TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 3 December 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Black Pear Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Black Pear Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Black Pear Trust and 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 Black Pear Trust and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF THE BLACK PEAR TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of The Black Pear Trust's funding agreement with the Secretary of State for Education dated 29 May 2014, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE BLACK
PEAR 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 year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Andrew Wood FCCA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Date: *12th December 2016.*

THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	As restated 15 Months Ended 2015 £
INCOME FROM:						
Donations & capital grants:						
Transfer on conversion	2	-	-	-	-	1,678,748
Other donations and capital grants	2	1,835	16,601	24,463	42,899	50,478
Charitable activities	3	168,546	1,801,758	-	1,970,304	2,197,467
Other trading activities	4	107,125	-	-	107,125	40,253
Investments	5	594	-	-	594	435
TOTAL INCOME		278,100	1,818,359	24,463	2,120,922	3,967,381
EXPENDITURE ON:						
Charitable activities		200,645	1,681,987	108,395	1,991,027	2,215,108
TOTAL EXPENDITURE	8	200,645	1,681,987	108,395	1,991,027	2,215,108
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		77,455	136,372	(83,932)	129,895	1,752,273
Transfers between Funds	18	(188,054)	-	188,054	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(110,599)	136,372	104,122	129,895	1,752,273
Actuarial losses on defined benefit pension schemes	22	-	(257,000)	-	(257,000)	(21,000)
NET MOVEMENT IN FUNDS		(110,599)	(120,628)	104,122	(127,105)	1,731,273
RECONCILIATION OF FUNDS:						
Total funds brought forward		287,254	(370,000)	1,814,019	1,731,273	-
TOTAL FUNDS CARRIED FORWARD		176,655	(490,628)	1,918,141	1,604,168	1,731,273

The notes on pages 28 to 49 form part of these financial statements.

THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 08922754

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	13		1,888,981		1,792,377
CURRENT ASSETS					
Stocks	14	19,070		15,113	
Debtors	15	123,761		126,982	
Cash at bank and in hand		641,876		453,043	
		<u>784,707</u>		<u>595,138</u>	
CREDITORS: amounts falling due within one year	16	<u>(318,520)</u>		<u>(186,242)</u>	
NET CURRENT ASSETS			<u>466,187</u>		<u>408,896</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,355,168</u>		<u>2,201,273</u>
Defined benefit pension scheme liability	22		<u>(751,000)</u>		<u>(470,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>1,604,168</u></u>		<u><u>1,731,273</u></u>
FUNDS OF THE ACADEMY TRUST					
Restricted income funds:					
Restricted income funds	18	260,372		100,000	
Restricted fixed asset funds	18	1,918,141		1,814,019	
		<u></u>		<u></u>	
Restricted income funds excluding pension liability		2,178,513		1,914,019	
Pension reserve		<u>(751,000)</u>		<u>(470,000)</u>	
Total restricted income funds			<u>1,427,513</u>		<u>1,444,019</u>
Unrestricted income funds	18		<u>176,655</u>		<u>287,254</u>
TOTAL FUNDS			<u><u>1,604,168</u></u>		<u><u>1,731,273</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 6th December 2016 and are signed on their behalf, by:



P A Clayton
Vice Chair of Trustees

The notes on pages 28 to 49 form part of these financial statements.

THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

		31 August 2016 £	15 months ended 31 August 2015 £
Cash flows from operating activities			
Net cash provided by operating activities	20	368,775	188,856
Cash flows from investing activities:			
Interest received		594	435
Purchase of tangible fixed assets		(204,999)	(116,759)
Capital grants from DfE/EFA		24,463	21,868
Net cash used in investing activities		(179,942)	(94,456)
 Cash transferred on conversion		 -	 358,643
		-	358,643
 Change in cash and cash equivalents in the year		 188,833	 453,043
Cash and cash equivalents brought forward		453,043	-
Cash and cash equivalents carried forward	21	641,876	453,043

THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Black Pear Trust constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of The Black Pear Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of The Black Pear Trust for the year ended 31 August 2016 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

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

Reconciliations to previous UK GAAP for the comparative figures are included in note 27.

1.2 FUND ACCOUNTING

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy 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 and include grants from the Department for Education.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on raising funds 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 are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 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 Academy 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.

THE BLACK PEAR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £500 are capitalised.

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.

On conversion the Academy Trust was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

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.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	-	Land 125 Years, Buildings 50 Years
Motor vehicles	-	20% Straight Line
Fixtures and fittings	-	50% Straight Line
Computer equipment	-	33% Straight Line

1.7 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the Bank.

1.8 OPERATING LEASES

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

1.9 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is based on the cost of purchases on a first in first out basis.

1.10 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

**THE BLACK PEAR TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.11 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.12 LIABILITIES AND PROVISIONS

Liabilities and provisions 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 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 are measured at the best estimate of the amounts required to settle the obligation.

1.13 FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Financial instruments includes cash at bank, trade debtors, accrued income from financial instruments (comprising dividends and interest due from investments), trade creditors and accrued expenditure.

1.14 TAXATION

The Academy 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 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.

1.15 PENSIONS

Retirement benefits to employees of the Academy 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.

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 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 22, 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

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.

1.16 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

The 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 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	As restated 15 Months Ended 2015 £
Transfer on conversion	-	-	-	-	1,678,748
Donations	1,835	16,601	15,295	33,731	28,610
Capital Grants	-	-	9,168	9,168	21,868
Subtotal	1,835	16,601	24,463	42,899	50,478
	1,835	16,601	24,463	42,899	1,729,226

In 2015, of the total income from donations and capital grants, £335,943 was unrestricted and £1,393,283 was restricted.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	As restated 15 Months Ended 2015 £
Education	12,053	1,801,758	1,813,811	2,087,469
Nursery	156,493	-	156,493	109,998
	168,546	1,801,758	1,970,304	2,197,467

In 2015, of the total income from charitable activities, £117,870 was unrestricted and £2,079,597 was restricted.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	As restated 15 Months Ended 2015 £
DfE/EFA grants				
General Annual Grant	-	1,438,634	1,438,634	1,709,043
Start up Grants	-	70,000	70,000	100,000
Other DfE/EFA grants	-	242,744	242,744	221,855
	-	1,751,378	1,751,378	2,030,898
Other Government grants				
High Needs	-	50,380	50,380	48,699
	-	50,380	50,380	48,699
Other funding				
Sales to students	12,053	-	12,053	7,872
	12,053	-	12,053	7,872
	12,053	1,801,758	1,813,811	2,087,469

In 2015, of the total income from educational charitable activities, £7,872 was unrestricted and £2,079,597 was restricted.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	As restated 15 Months Ended 2015 £
Lettings	2,501	-	2,501	3,504
External Catering	2,720	-	2,720	3,200
Consultancy	86,850	-	86,850	2,000
Fees received	3,200	-	3,200	7,060
Other	11,854	-	11,854	24,489
	107,125	-	107,125	40,253

In 2015, the total income from other trading activities of £40,253 was unrestricted.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	As restated 15 Months Ended 2015 £
Bank interest	594	-	594	435

In 2015, the total investment income of £435 was unrestricted.

6. DIRECT COSTS

	Total 2016 £	As restated 15 Months Ended 2015 £
Pension finance costs	9,300	8,893
Educational supplies	39,750	40,130
Staff development	20,779	15,593
Other costs	20,180	14,101
Supply teachers	4,458	14,819
Technology costs	1,826	6,430
Wages and salaries	1,036,231	1,138,824
National insurance	76,553	76,070
Pension cost	161,364	149,274
Depreciation	82,973	92,258
	1,453,414	1,556,392

THE BLACK PEAR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

7. SUPPORT COSTS

	Total	As restated
	2016	15 Months
	£	Ended
		2015
		£
Pension finance costs	9,700	9,107
Educational supplies	3,685	7,096
Other costs	19,263	30,188
Maintenance of premises and equipment	28,117	60,216
Cleaning	2,699	3,390
Rent and rates	8,520	11,681
Energy costs	21,259	20,273
Insurance	17,876	32,613
Security and transport	19,283	19,900
Catering	78,031	85,475
Technology costs	6,092	25,396
Office overheads	20,142	25,506
Legal and professional	66,902	71,968
Bank interest and charges	30	128
Governance	14,550	21,254
Wages and salaries	150,501	179,311
National insurance	2,650	4,705
Pension cost	42,891	36,315
Depreciation	25,422	14,194
	537,613	658,716

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

8. EXPENDITURE

	Staff costs	Premises	Other costs	Total	As restated
	2016	2016	2016	2016	15 months
	£	£	£	£	ended
					2015
					£
Education:					
Direct costs	1,278,606	34,091	140,717	1,453,414	1,556,392
Support costs	196,042	60,961	280,610	537,613	658,716
	1,474,648	95,052	421,327	1,991,027	2,215,108

In 2016, of the total expenditure, £206,497 was unrestricted, £1,902,159 was restricted and £106,452 was in relation to the restricted fixed asset fund.

9. NET INCOME/(EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	31 August	15 months
	2016	ended
	£	31 August
		2015
		£
Depreciation of tangible fixed assets:		
- owned by the charity	108,395	106,452
Auditors' remuneration - audit	6,475	7,970
Auditors' remuneration - other services	8,600	3,050
Operating lease rentals	2,288	2,860

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

10. STAFF COSTS

Staff costs were as follows:

	31 August 2016 £	15 months ended 31 August 2015 £
Wages and salaries	1,186,732	1,318,135
Social security costs	79,203	80,775
Operating costs of defined benefit pension schemes	204,255	185,589
	1,470,190	1,584,499
Supply teacher costs	4,458	14,819
	1,474,648	1,599,318

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

	31 August 2016 No.	15 months ended 31 August 2015 No.
Teachers	19	15
Educational Support	27	23
Administration & Clerical	5	5
Premises Staff, Lunchtime Supervisors and Pastoral Assistants	24	17
Management	6	7
	81	67

The number of employees whose employee benefits (excluding employer's National Insurance contributions and employer pension costs) exceeded £60,000 was:

	31 August 2016 No.	15 months ended 31 August 2015 No.
In the band £70,001 - £80,000	1	0
In the band £80,001 - £90,000	0	1

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £297,405 (2015: £363,096). The main reason for the change was due to maternity cover in 2015.

As staff trustees are not remunerated in respect of their role as a trustee, where staff trustees do not form part of the key management personnel other than in their role as trustee, their remuneration as set out in note 11 has not been included in the total benefits received by key management personnel above.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

11. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy in respect of their role as Trustees. The value of Trustees' remuneration including pension contributions in respect of defined benefit schemes in the 15 month period was as follows; V Cranton: remuneration £70,000-£75,000 (2015: £80,000-£90,000), employer's pension contributions £10,000-£15,000 (2015: £10,000-£15,000); S Wood: remuneration £5,000-£10,000 (2015: £25,000-£30,000), employer's pension contributions £NIL-£5,000 (2015: £5,000-£10,000); D Davies: remuneration £15,000-£20,000 (2015: £20,000-£25,000), employer's pension contributions £NIL-£5,000 (£NIL-£5,000); A Maciaszek-Skubinska: remuneration £NIL-£5,000 (£NIL), employer's pension contributions £NIL-£5,000 (2015: £NIL).

Other related party transactions involving the trustees are set out in note 26.

During the year, no Trustees received any benefits in kind (2015: £NIL).

During the year, no Trustees received any reimbursement of expenses (2015: £NIL).

12. 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 £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

13. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
COST					
At 1 September 2015	1,704,537	15,250	104,371	74,671	1,898,829
Additions	165,158	28,295	-	11,546	204,999
At 31 August 2016	1,869,695	43,545	104,371	86,217	2,103,828
DEPRECIATION					
At 1 September 2015	40,454	508	50,809	14,681	106,452
Charge for the year	34,091	4,936	43,946	25,422	108,395
At 31 August 2016	74,545	5,444	94,755	40,103	214,847
NET BOOK VALUE					
At 31 August 2016	1,795,150	38,101	9,616	46,114	1,888,981
At 31 August 2015	1,664,083	14,742	53,562	59,990	1,792,377

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NOTES TO THE FINANCIAL STATEMENTS
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14. STOCKS

	2016 £	2015 £
Finished goods and goods for resale	<u>19,070</u>	<u>15,113</u>

15. DEBTORS

	2016 £	2015 £
Trade debtors	1,273	942
Prepayments and accrued income	47,679	59,254
Tax recoverable	74,809	66,786
	<u>123,761</u>	<u>126,982</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	234,804	110,002
Other taxation and social security	24,140	20,437
Other creditors	22,766	21,089
Accruals and deferred income	36,810	34,714
	<u>318,520</u>	<u>186,242</u>

	2016 £	2015 £
DEFERRED INCOME		
Deferred income at 1 September 2015	20,266	22,688
Resources deferred during the year	22,688	-
Amounts released from previous years	(20,266)	-
	<u>22,688</u>	<u>22,688</u>
Deferred income at 31 August 2016	<u>22,688</u>	<u>22,688</u>

At the balance sheet date the Academy was holding funds received in advance for income from the EFA in respect of Free School Meals.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

17. PRIOR YEAR ADJUSTMENT

A prior year adjustment has been processed in order to recognise the School Fund account in the prior period. The adjustment posted was to debit the bank account on the Balance Sheet £16,312, and a net credit to income and expenditure for the same amount.

A prior year adjustment has also been processed in order to recognise the stock held in the prior period. The adjustment posted was to debit the stock on the Balance Sheet £15,113, and credit expenditure for the same amount.

The net effect was to increase the surplus for last year by £31,425, and increase reserves brought forwards into this year by the same amount.

18. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	287,254	278,100	(200,645)	(188,054)	-	176,655
RESTRICTED FUNDS						
General Annual Grant (GAG)	-	1,435,080	(1,339,958)	-	-	95,122
Higher Needs funding	-	50,380	(50,380)	-	-	-
Pupil premium	-	198,185	(198,185)	-	-	-
Universal Infant Free School Meals	-	38,893	(38,893)	-	-	-
Primary Academy Development Chain Grant	100,000	-	(4,750)	-	-	95,250
Educational trip Income	-	16,601	(16,601)	-	-	-
Other Grants	-	9,220	(9,220)	-	-	-
Academy sponsorship funding	-	70,000	-	-	-	70,000
Pension reserve	(470,000)	-	(24,000)	-	(257,000)	(751,000)
	(370,000)	1,818,359	(1,681,987)	-	(257,000)	(490,628)

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18. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion	1,684,456	-	(58,807)	-	-	1,625,649
Fixed assets purchased from GAG and other restricted funds	100,764	-	(39,571)	-	-	61,193
DfE/EFA Capital grants	21,642	7,517	-	-	-	29,159
Nursery Grant	7,157	1,651	(8,131)	-	-	677
Other Capital Grant	-	15,295	(1,886)	13,000	-	26,409
Unrestricted fixed assets	-	-	-	175,054	-	175,054
	<u>1,814,019</u>	<u>24,463</u>	<u>(108,395)</u>	<u>188,054</u>	<u>-</u>	<u>1,918,141</u>
Total restricted funds	<u>1,444,019</u>	<u>1,842,822</u>	<u>(1,790,382)</u>	<u>188,054</u>	<u>(257,000)</u>	<u>1,427,513</u>
Total of funds	<u>1,731,273</u>	<u>2,120,922</u>	<u>(1,991,027)</u>	<u>-</u>	<u>(257,000)</u>	<u>1,604,168</u>

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

Restricted:

General Annual Grant - income from the EFA which is to be used for the normal running costs of the Academy, including education and support costs.

Higher Needs funding - funding received by the Local Authority to fund further support for students with additional needs.

Pupil Premium - income from the EFA which is to be used to address the current inequalities by ensuring that funding to tackle disadvantage reaches the pupils who need it most.

Universal Infant Free School Meals - represents income for the provision of free school meals to pupils.

Primary Academy Development Chain Grant - represents income to support the academy conversion of primary schools into the Multi Academy Trust.

Educational trip income - represents contributions made by parents to cover the cost of educational school trips.

Other Grants - represents income which has been received for other specific purposes.

Pension Reserve - represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme.

Fixed assets funds:

Fixed assets transferred on conversion - this represents the buildings and equipment donated to the school from the Local Authority on conversion to an academy.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

18. STATEMENT OF FUNDS (continued)

Fixed assets purchased from GAG - this represents capital assets that have been purchased out of restricted GAG funding.

DfE/EFA capital grants - this represents funding from the EFA to cover the maintenance and purchase of the schools assets.

Nursery Grant - this represents funding for capital expenditure on the nursery.

Other capital grants - this represents funding received from non-government bodies to fund the purchase of a minibus for the Academy Trust.

Unrestricted fixed assets - this represents fixed assets funded by unrestricted income.

Transfers between funds:

The transfers between the restricted, unrestricted and restricted fixed asset fund represents the transfer of capital expenditure from the General Annual Grant (GAG) and Pupil Premium funding during the year.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	As restated 15 Months Ended 2015 £
Tangible fixed assets	-	-	-	-	1,792,377
Current assets	176,655	578,892	1,888,981	1,888,981	-
Creditors due within one year	-	(318,520)	29,160	784,707	563,713
Provisions for liabilities and charges	-	(751,000)	-	(318,520)	(186,242)
	-	(751,000)	-	(751,000)	(470,000)
	<u>176,655</u>	<u>(490,628)</u>	<u>1,918,141</u>	<u>1,604,168</u>	<u>1,731,273</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31 August 2016 £	As restated 15 months ended 31 August 2015 £
Net income for the year (as per Statement of financial activities)	129,895	1,752,273
Adjustment for:		
Depreciation charges	108,395	106,452
Interest received	(594)	(435)
Increase in stocks	(3,957)	(15,113)
Decrease/(increase) in debtors	3,221	(126,982)
Increase in creditors	132,278	170,277
Capital grants from DfE and other capital income	(24,463)	(21,868)
Defined benefit pension scheme cost less contributions payable	5,000	(15,000)
Defined benefit pension scheme finance cost	19,000	18,000
Net (loss) on assets and liabilities from local authority on conversion	-	(1,678,748)
Net cash provided by operating activities	368,775	188,856

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31 August 2016 £	As restated 15 months ended 31 August 2015 £
Cash in hand	641,876	453,043
Total	641,876	453,043

22. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Worcestershire County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £22,114 were payable to the schemes at 31 August 2016 (2015: 18,899) and are included within creditors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

22. PENSION COMMITMENTS (continued)

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.

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

The employer's pension costs paid to TPS in the period amounted to £121,280 (2015: £115,826).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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 assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £96,000 (2015: £103,000), of which employer's contributions totalled £77,000 (2015: £86,000) and employees' contributions totalled £19,000 (2015: £17,000). The agreed contribution rates for future years are 13.8% for employers and 5.5-12.5% for employees.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

22. PENSION COMMITMENTS (continued)

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:

	2016	2015
Discount rate for scheme liabilities	2.10 %	4.00 %
Rate of increase in salaries	3.30 %	3.80 %
Rate of increase for pensions in payment / inflation	1.90 %	2.30 %
Inflation assumption (CPI)	1.80 %	2.30 %

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

	2016	2015
Retiring today		
Males	23.5	23.4
Females	25.9	25.8
Retiring in 20 years		
Males	25.8	25.6
Females	28.2	28.1

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	293,000	184,000
Property	16,000	-
Other bonds	22,000	13,000
Cash/liquidity	8,000	2,000
Other	12,000	7,000
Total market value of assets	351,000	206,000

The actual return on scheme assets was £51,000 (2015: (£1,000))

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

	31 August 2016 £	15 months ended 31 August 2015 £
Current service cost (net of employee contributions)	(82,000)	(71,000)
Net interest cost	(19,000)	(18,000)
Total	(101,000)	(89,000)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

22. PENSION COMMITMENTS (continued)

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

	31 August 2016 £	15 months ended 31 August 2015 £
Opening defined benefit obligation	676,000	-
Current service cost	82,000	71,000
Interest cost	28,000	23,000
Contributions by employees	19,000	17,000
Actuarial losses	297,000	14,000
Liability transferred on conversion	-	551,000
	<u>1,102,000</u>	<u>676,000</u>
Closing defined benefit obligation	<u>1,102,000</u>	<u>676,000</u>

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

	31 August 2016 £	15 months ended 31 August 2015 £
Opening fair value of scheme assets	206,000	-
Interest income	10,000	6,000
Actuarial gains and (losses)	40,000	(7,000)
Contributions by employer	77,000	86,000
Contributions by employees	19,000	17,000
Assets transferred on conversion	-	105,000
Administration expenses	(1,000)	(1,000)
	<u>351,000</u>	<u>206,000</u>
Closing fair value of scheme assets	<u>351,000</u>	<u>206,000</u>

23. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
AMOUNTS PAYABLE:		
Within 1 year	2,288	2,288
Between 1 and 5 years	-	2,288
	<u>2,288</u>	<u>4,576</u>
Total	<u>2,288</u>	<u>4,576</u>

**THE BLACK PEAR TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

24. MEMBERS' LIABILITY

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

25. GENERAL INFORMATION

The Black Pear Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Hollymount Road, Worcester, Worcestershire, WR4 9SG.

26. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee 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 transactions took place in the period:

The Black Pear Trust purchased £2,556 (2015: £2,175) worth of services from Independent Education & Technology Associates Ltd, a company limited by guarantee and not for profit, of which Mr P D Shoesmith is a director.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

27. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 June 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

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

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014	31 August 2015
		£	£
Total funds under previous UK GAAP		-	1,731,273
Total funds reported under FRS 102		-	1,731,273

Reconciliation of net income	Notes	15 months ended
		31 August 2015
		£
Net income previously reported under UK GAAP		1,755,273
Change in recognition of LGPS interest cost	A	(3,000)
Net movement in funds reported under FRS 102		1,752,273

Explanation of changes to previously reported funds and net income/expenditure:

A	Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in expenditure. Under FRS102 a net interest, based on the net defined benefit liability, is recognised in expenditure. There has been no change to the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £3,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.
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