

Registered number: 07665550 (England and Wales)

EBN TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

EBN TRUST
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS DIRECTORS AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Advisers (continued)

Chief executive officer

Marie Rooney

Senior management team - EBN 1

M Baldwin, Principal
L Thomas, Vice Principal
Stephen Taylor, Curriculum Leader for English
K Shearer, Curriculum Leader for Maths
P Beaufoy, Curriculum Leader for Science
S Wheatley, Trust Business and Finance Manager
M Rooney, Executive Principal

Senior management team - EBN 2

A Simons, Principal
C Fairburn, Vice Principal
M Galloway, Curriculum Leader for English
P Coates, Curriculum Leader for Maths
M Blissett, Curriculum Leader for Science
S Wheatley, Business and Finance Manager
M Rooney, Executive Principal

Independent auditor

Crowe Clark Whitehill LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Bankers

HSBC
34 Poplar Road
Solihull
West Midlands
B91 3AF

Solicitors

Browne Jacobson LLP
Victoria Square House
Victoria Square
Birmingham
B2 4BU

EBN TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS DIRECTORS AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members

A Andersen
G Ferrante
H French (resigned 1 September 2016)
S Hartle (resigned 1 September 2016)
M McCrohon (resigned 1 September 2016)
J Farrell (appointed 1 September 2016)

Directors

G Alexander
J Allen
J Farrell, Chair of Directors
B Mabey, Vice Chair of Directors (resigned 1 September 2016)
G Ferrante
A Anderson
C Quinn (resigned 1 September 2016)
M Rooney, Executive Principal
M Baldwin, Principal (resigned 1 September 2016)
S Wheatley (resigned 1 September 2016)
A Simons (appointed 25 January 2016, resigned 1 September 2016)
P Weir (appointed 1 September 2016)
C Etheridge (appointed 1 September 2016)
H McLaughlin (appointed 1 September 2016)
S Hartle (appointed 1 September 2016)

Company registered number

07665550

Company name

EBN Trust

Principal and registered office

EBN Academy
Coventry road
Yardley
Birmingham
West Midlands
B8 2AS

EBN TRUST
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

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

EBN Trust was legally formed on midnight of 31st August 2012. This report covers the Trust's fourth academic year and financial year of operation. EBN 2 was opened in September 2015.

An Ofsted inspection was carried out in May 2014 and judged Good in all categories. An external Mocksted was carried out in May 2016 at EBN 2 which confirmed the quality of provision to be consistently Good with outstanding features. EBN 2 had two DfE monitoring visits throughout the academic year 2015/16 and this judged the provision at EBN 2 as outstanding in all areas.

There were 103 students on roll at EBN 1 on 31st August 2016.

There were 78 students on roll at EBN 2 on 31st August 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The Trust is a company limited by guarantee. The charitable company's Memorandum of Association is the primary governing document of the academy trust. The Directors of EBN Trust are also the directors of the Charitable Company for the purpose of company law. Details of the Directors who served during the year are included in the Reference and administrative details on page 1.

The Directors act as the Trustees for the charitable activities of EBN Trust and are also the Directors of the Charitable Company for the purposes of Company Law. The Charitable Company is known as EBN Trust and includes the activities of EBN phase 1. EBN Phase 2 commenced operations on 1 September 2015. The members have appointed the directors to the board of directors. The Directors establish the two sub committees.

MEMBERS' LIABILITY

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

DIRECTORS' AND GOVERNORS' INDEMNITIES

During the year, an indemnity from the Charitable Company was available to the Directors against liabilities that might be incurred by them in defending proceedings against them in respect of the affairs of the Charitable Company. The indemnity is subject to the provisions of the Companies Act as is set out in the Articles of Association.

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

METHOD OF RECRUITMENT AND APPOINTMENT OF DIRECTORS

The Trust's Board of Directors has been elected for 4 year terms. Where vacancies arise, through the completion of term or by the resignation of a serving Director, Directors will be recruited in accordance with the Articles of Association and "A Guide to the law for School Governors". The term of office for any Director is 4 years, although this time limit does not apply to the Principal or the Chief Executive Officer.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION OF DIRECTORS

The Trust is a member of the National Governors Association (NGA) and through this body each member receives regular updates on current legislation by email and the NGA magazine. Additional training is provided as required based on individual or collective need. External advice and support is commissioned where necessary.

ORGANISATIONAL STRUCTURE

The structure of the Trust consists of four senior levels: The Members of the Trust (who are the Head Teachers from the partnership of the East Birmingham Network of Schools), the Board of Directors (who are also East Birmingham Network Head Teachers who are appointed by the members of the MAT), the sub-committees that include the Executive Principal and Principal and finally the wider senior leadership team. The aim of this management structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that the Trust nurtures the talents of its entire staff to support continual improvement and excellence.

The Board of Directors is responsible for setting the Trust's policies, adopting the Trust's Balanced Score Card (School Improvement Plan) and budget, monitoring performance against these plans and making major decisions about the direction of the Trust including its curriculum, the achievement and welfare of students and staffing.

The Executive Principal, Principal, Business Manager and senior leadership group manage the Trust at an executive level, implementing the policies set by the Board of Directors and reporting back to them.

The Board of Directors has established three sub committees. Each sub-committee has its own terms of reference detailing the responsibilities discharged to the sub-committee, the Executive Principal, (The Accounting Officer), the Principal, the Vice Principal and the Senior Leadership Team. The terms of reference and meeting frequency for each sub-committee is reviewed and approved by the Board of Directors annually.

The sub-committees of the Trust are the Business, HR and Finance Sub-Committee and the local governing body sub-committee and the Health and Safety Sub-Committee.

Groups of Governors may be formally or informally organised outside of the sub-committee structure to support the Trust as required to consider:

- Executive Principal
- Principal, Vice Principal recruitment
- Performance Management of the Principal
- Student behaviour
- Staff discipline
- Complaints
- Significant areas of change management (staff re-structuring)

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

PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The Academy Board will ensure that every teacher's salary is reviewed on an annual basis with effect from 1 September, no later than 31 October.

The Academy Board will assign a seven point Individual School Range based on the school group size, as determined by the STPCD. The Academy Board will ensure that there is no overlap of salary bands between the Principal and other leadership posts.

The Academy Board will calculate the Principal group size at the start of each academic year and determine the appropriate Individual School Range for the year. The Academy Board will determine the group size for the school in accordance with the provisions of the STPCD.

On appointment the Principal will be appointed on one of the first 4 points on the ISR.

Progression on the ISR for the Principal will be subject to a review of the head teacher's performance set against the annual appraisal review. The Academy Board may decide to award one increment for sustained high quality performance or two increments where performance has been exceptional. Where performance has not been of a sustained high quality the Academy Board may decide that there should be no pay progression. The pay review for the Principal will be completed by 31 December.

The Academy Board will ensure that reasons for setting the ISR at a given level are recorded and that the process for the determination of the Principal's salary is fair and transparent.

RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS

On 1st September 2015 the Trust opened EBN Academy 2, which has a vocational focus on motor vehicles.

EBN Trust is part of Ninestiles Plus Teaching School Alliance. The Trust continues to work closely with all the 12 secondary schools (who are also the commissioners) within the East Birmingham Network to support the School Improvement Plan for the Trust.

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

OBJECTIVES AND ACTIVITIES

OBJECTS AND AIMS

As described, the object of EBN Trust, is set out in the Articles of Association.

The Board of Directors continues to set the Trust's strategic aims through the Trust's Balanced Score Card. These aims are monitored closely by the Board of Directors by way of the Executive Principal, Principal and through the work of the Local Governing Body's and the sub committees, each of which are led by the Executive Principal and the Principal.

The aims and objectives for the Trust are derived from the schools mission statement which is:

EBN Trust will be nationally acknowledged as a high achieving, innovative school that recognises and respects the richness and diversity of its community. The Governing Body will be resourced to meet the needs of 21st century students. Within a caring, well ordered environment we will develop and reinforce the values, skills and attributes which will allow our students to be good citizens and lifelong learners. Parents, governors, directors of the EBN Trust and the wider community will work in partnership to ensure that high quality learning takes place. Outcomes will be outstanding.

OBJECTIVES, STRATEGIES AND ACTIVITIES

The Key Objectives for the forthcoming year are:

1. A minimum of 8% of students achieving 5 A* - C including English and Maths.
2. At least 40% of students achieving 5A* - G including English and Maths.
3. 75% of students making accelerated progress in line with their baseline testing.
4. 100% of students achieving at least 1 qualification.
5. FSM gap is narrowed.
6. 100% of students progress onto further education, employment and training.
7. Attendance is a minimum of 80%.

PUBLIC BENEFIT

The Directors confirm that in their capacity as Trustees of the Charitable Company, in setting the objectives of the Trust, they have had due regard to the published guidance from the Charity Commission regarding the principle of public benefit.

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

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The Trust is committed to continual improvement, which is achieved in a number of ways through improvement planning, review meetings, continual professional development, lesson observations, performance management, learning walks, self evaluation, data analysis and action planning.

Table 1 Summary of GCSE examination results EBN 1

Overall (30 Students) (2016: 30 Students)

5 A*-C = 3% (2015: 4%)

5 A*-C = 3% (including English and Maths) (2015: 4%)

5 A*-G = 77% (2015: 52%)

5 A*-G = 67% (including English and Maths) (2015: 33%)

Table 2 Summary of GCSE examination results EBN 2

Overall (22 Students) (2015: N/A Students)

5 A*-C = 14.2 % (2015: N/A was not opened)

5 A*-C = 14.2% (including English and Maths) (2015: N/A was not opened)

5 A*-G 71% (2015: N/A was not opened)

5 A*-G 71% (including English and Maths) (2015: N/A was not opened)

KEY PERFORMANCE INDICATORS

The Trust uses a number of key performance indicators. In addition to the key financial performance indicators noted below, the Trust also uses a number of non-financial performance indicators as described within the Objectives, Strategies and Activities section previously.

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against the General Annual Grant (GAG).

As funding is based on pupil numbers this is also a key performance indicator. With the addition of EBN Academy 2 student numbers for 2015/16 were 181 (2015: 90) which is expected to remain consistent in 2016/17.

Another key financial performance indicator is staffing costs as a percentage of income. For 2015/16 this was 54.6% (2015: 58.2%) compared to a budget of 64% (2015: 63.9%).

GOING CONCERN

After consideration of the Trust's financial position, its financial plans, (including projected students numbers), the demand for places and the broader environment, the Board of Directors has a reasonable expectation that the Trust has, and will continue to have adequate resources to enable it to be a sustainable going concern in 2016/17 and for the foreseeable future. For this reason the Trust continues to adopt the going concern principle in preparing financial statements. Further details regarding the adoption of the Going Concern basis can be found in the statement of accounting policies.

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

FINANCIAL REVIEW

Total fund balance as at 31st August 2016 was £3,851,897 (2015: £3,316,740 as restated) comprising surpluses/(deficits) of £539,474, £(171,619), and £3,484,042 in Unrestricted, Restricted General and Restricted Fixed Assets Funds respectively. Included in restricted reserves is the LGPS pension deficit of £195,000.

The Trust's assets were predominantly used for providing education to the school students.

The net book value of the Trust's tangible fixed assets was £3,276,115 at 31st August 2016.

Cash in hand at 31st August 2016 was £649,959.

RESERVES POLICY

Directors aim to use government grant funding during the academic year for the benefit and education of students within the school year and do not seek to carry forward large financial balances.

Free reserves currently stand at £562,855 (£23,381 of restricted reserves and £539,474) of unrestricted reserves) which represents approximately two months' salary payments including pension and national insurance contributions along with a contingency for unplanned expenditure of £50,000 across the two schools.

The Board of Directors reviews the reserve levels of the Trust at least annually. This review encompasses the nature of income and expenditure stream, the need to match income with commitments and the nature of reserves. The Board of Directors takes into consideration the future plans of the Trust and the uncertainty over future income streams and other key risks identified during the risk review.

INVESTMENT POLICY

Investment vehicles are approved by the Board of Directors with the support of expert advice as necessary. The Trust does not have any endowment funds.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Directors has a comprehensive risk management process to identify and monitor risks facing the Trust. The principle risk identified includes governance, statutory compliance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. A risk rating mechanism is in place with greater emphasis directed towards those identified as higher risk areas.

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

FUTURE DEVELOPMENTS

The Trust strives to continually improve levels of attainment for all students, equipping them with the qualification, skills and character to follow their chosen pathways, whether it be into further and higher education employment and training.

The curriculum, the quality of teaching and learning informed interventions are consistently reviewed to help every child achieve their full potential. The Trust aims to develop the curriculum to be deliver progress 8 with the introduction of Citizenship and Geography as curriculum areas.

The Trust believes that developing the whole child is critical to improving levels of attainment and in developing broader skills and character that will develop student's commitment to lifelong learning and enrich their quality of life. To this extent, the Academy strives to provide exceptional behaviour and attendance management support to its students and to offer a broad range of extracurricular activities.

FUNDS HELD AS CUSTODIAN

No funds are held as custodian.

DISCLOSURE OF INFORMATION TO AUDITOR

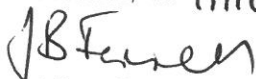
Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Charitable Company's auditor is unaware, and
- that the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Charitable Company's auditor is aware of that information.

AUDITOR

The auditor, Crowe Clark Whitehill LLP, is willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

This report, incorporating a strategic report, was approved by order of the Board of Directors as the company directors, on 15/12/16 and signed on its behalf by:



J Farrell
Chair of Directors

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As directors, we acknowledge we have overall responsibility for ensuring that EBN 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 Directors has delegated the day-to-day responsibility to the Executive Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between EBN Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Directors' report and in the Statement of Directors' responsibilities. The Board of Directors has formally met 4 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Director	Meetings attended	Out of a possible
G Alexander	3	4
J Allen	4	4
J Farrell	4	4
B Mabey	4	4
G Ferrante	3	4
A Anderson	3	4
C Quinn	4	4
M Rooney	4	4
M Baldwin	4	4
S Wheatley	3	4
A Simons	2	2
P Weir	0	0
C Etheridge	0	0
H McLaughlin	0	0
S Hartle	0	0

The Business, HR and Finance Committee is a sub-committee of the main Board of Directors. It is responsible for matters relating to finance, staffing and the site.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
J Trafford	3	3
J Allen	3	3
M Rooney	3	3
M Baldwin	2	3
S Wheatley	3	3

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GOVERNANCE STATEMENT (continued)

The Pupil Matters Committee is a sub-committee of the main Board of Directors. It is responsible for matters relating to teaching and students.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
J Saunders	2	3
C Allen-Smith	2	3
M Rooney	3	3
M Baldwin	2	3
S Hunter	1	1
A Simons	0	1

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Executive Principal has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Directors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by:

Improving educational outcomes

Ensuring that educational standards continue to improve for the benefit of pupils through high standards and expectations in teaching and learning as outlined in the EBN Way.

Collaboration

The trust through the East Birmingham Network Partnership has engaged with other educational providers and experts to share delivery and good practice.

Purchasing

The senior leadership team has developed procedures for assessing need, and obtaining goods and services which provide best value in terms of suitability, efficiency, time and cost. Measures in place include:

- Ensuring 3 quotations are obtained for services and goods above £5,000 as outlined in the financial scheme of delegation but can be lower values where appropriate)
- Procedures for accepting "best value" quotes, which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship)
- Procedures which minimize office time by the purchase of goods or services under £1,000 direct from known and reliable suppliers.

Following the opening of EBN Academy 2, a number of services were contracted for on a Trust wide basis. This has brought the benefit of financial economies of scale plus additional resources available to pupils and staff. This is evident in areas such as CPD, HR advice and Leadership support. The Trust continues to develop an ICT strategy that will allow the benefits to be felt across the Trust.

Health and Safety

The senior leadership team in collaboration with the health and safety sub-committee review the quality of the school environment and equipment, carry out risk assessments where necessary, in order to provide a safe working environment for students, staff and visitors.

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GOVERNANCE STATEMENT (continued)

Monitoring

Areas are monitored for best value by:

- In house monitoring by the principal and senior leadership team, including quality assurance of classroom practice and work sampling.
- Annual performance management of staff
- Annual budget planning
- Analysis of school students performance data
- OFSTED inspection reporting and
- Directors board and sub committee meetings

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in EBN Trust for the year 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 Directors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the 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 Directors.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors;
- regular reviews by the Directors 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 Directors has considered the need for a specific internal audit function and has decided to appoint Janice Murphy, a consultant, as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a semi-annual basis, the internal auditor reports to the Board of Directors on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

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GOVERNANCE STATEMENT (continued)

On a termly basis, the appointee reported to the board of directors on the operation of systems of control in particular the checks carried out in the current period included:

- Payroll testing to include checks of salary paid compared to personnel records, checks to ensure amendments to payroll are appropriately authorised and that the final payroll print is appropriately authorised
- Purchasing testing of a sample of payments made during the period were reviewed
- Agreement of receipt of income to source documentation
- Review of a sample of expense claims
- Review of a sample of petty cash claims ensuring appropriate authorisation
- Review of bank reconciliations

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The Directors can report that the appointees function has been fully carried out and that no material control deficiencies were found, and therefore no remedial action has been required.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Executive Principal 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 internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Board of Directors 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 Directors on 15/12/16 and signed on its behalf, by:


J Farrell
Chair of Directors

M Rooney
Accounting Officer



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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of EBN 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 2015.

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

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.

Maie Rooney

M Rooney
Accounting Officer

15-12-16

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STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Directors (who act as governors of EBN Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' 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 Directors to prepare financial statements for each financial year. Under company law the Directors 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 Directors 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 Directors 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 Directors 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 Directors 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 Board of Directors of the Trust on 15/12/16 and signed on its behalf by:



J Farrell
Chair of Directors

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EBN TRUST

We have audited the financial statements of EBN Trust for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Statement of Directors' responsibilities, the Directors (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' 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 charitable company'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.

EBN TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EBN TRUST

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.


Helen Drew (Senior statutory auditor)

for and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 15-12-16

EBN TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO EBN TRUST
AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 14 November 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 EBN 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 EBN Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to EBN Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than EBN Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF EBN TRUST'S ACCOUNTING OFFICER AND THE REPORTING AUDITOR

The accounting officer is responsible, under the requirements of EBN Trust's funding agreement with the Secretary of State for Education dated 19 March 2015, 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 the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes a review of the design and implementation of the charitable company's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the charitable company and specific transactions identified from our review.

EBN TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO EBN 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.

Crowe Clark Whitehill LLP
Crowe Clark Whitehill LLP

Reporting Accountant

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 15-12-16

EBN 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 general funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	<i>As restated</i> <i>Total</i> <i>funds</i> 2015 £
INCOME FROM:						
Donations and capital grants	2	-	-	1,025,523	1,025,523	1,584,618
Charitable activities	4	1,405,701	1,712,879	-	3,118,580	1,961,155
Other trading activities	3	2,319	-	-	2,319	2,585
TOTAL INCOME		<u>1,408,020</u>	<u>1,712,879</u>	<u>1,025,523</u>	<u>4,146,422</u>	<u>3,548,358</u>
EXPENDITURE ON:						
Charitable activities		<u>1,391,312</u>	<u>1,775,601</u>	<u>321,352</u>	<u>3,488,265</u>	<u>2,283,728</u>
TOTAL EXPENDITURE	5	<u>1,391,312</u>	<u>1,775,601</u>	<u>321,352</u>	<u>3,488,265</u>	<u>2,283,728</u>
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	15	16,708	(62,722)	704,171	658,157	1,264,630
		<u>-</u>	<u>(50,793)</u>	<u>50,793</u>	<u>-</u>	<u>-</u>
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		16,708	(113,515)	754,964	658,157	1,264,630
Actuarial losses on defined benefit pension schemes	20	-	(123,000)	-	(123,000)	(9,000)
		<u>-</u>	<u>(123,000)</u>	<u>-</u>	<u>(123,000)</u>	<u>(9,000)</u>
NET MOVEMENT IN FUNDS		<u>16,708</u>	<u>(236,515)</u>	<u>754,964</u>	<u>535,157</u>	<u>1,255,630</u>
RECONCILIATION OF FUNDS:						
Total funds brought forward		580,239	64,896	2,729,078	3,374,213	2,061,110
Prior year adjustment (Note 14)		(57,473)	-	-	(57,473)	-
TOTAL FUNDS CARRIED FORWARD		<u>539,474</u>	<u>(171,619)</u>	<u>3,484,042</u>	<u>3,851,897</u>	<u>3,316,740</u>

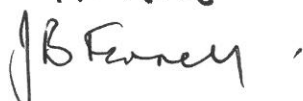
The notes on pages 23 to 44 form part of these financial statements.

EBN TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07665550

BALANCE SHEET
AS AT 31 AUGUST 2016

		2016		As restated 2015	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	10		3,276,115		2,729,078
CURRENT ASSETS					
Debtors: amounts falling due after more than one year	12	97,203		138,870	
Debtors: amounts falling due within one year	12	804,453		290,002	
Cash at bank and in hand		649,959		658,612	
		1,551,615		1,087,484	
CREDITORS: amounts falling due within one year	13	(780,833)		(460,822)	
NET CURRENT ASSETS			770,782		626,662
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	20		4,046,897		3,355,740
			(195,000)		(39,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			3,851,897		3,316,740
FUNDS OF THE TRUST					
Restricted income funds:					
Restricted income funds	15	23,381		103,896	
Restricted fixed asset funds	15	3,484,042		2,729,078	
Restricted income funds excluding pension liability		3,507,423		2,832,974	
Pension reserve		(195,000)		(39,000)	
Total restricted funds			3,312,423		2,793,974
Unrestricted income funds	15		539,474		522,766
TOTAL FUNDS			3,851,897		3,316,740

The financial statements were approved by the Directors, and authorised for issue, on 15-12-16 and are signed on their behalf, by:


J Farrell
Chair of Directors

The notes on pages 23 to 44 form part of these financial statements.

EBN TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	<i>As restated</i> 2015 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	(225,283)	483,708
Cash flows from investing activities:			
Purchase of tangible fixed assets		(502,552)	(34,991)
Capital grants from DfE/EFA		719,182	-
Net cash provided by/(used in) investing activities		216,630	(34,991)
Change in cash and cash equivalents in the year		(8,653)	448,717
Cash and cash equivalents brought forward		658,612	209,895
Cash and cash equivalents carried forward	19	649,959	658,612

The notes on pages 24 to 44 form part of these financial statements.

EBN 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), judgements 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.

First time adoption of FRS 102

These financial statements are the first financial statements of EBN 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 EBN Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Directors have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 25.

1.2 Company status

The Trust is a company limited by guarantee. The trust is incorporated in England & Wales, registered number 07665550. The registered office is EBN Academy, Coventry road, Yardley, Birmingham, West Midlands, B8 2AS. The members of the company are named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per member of the Trust.

1.3 Going concern

The Directors 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 Trust to continue as a going concern. The Directors 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.

EBN TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 Fund accounting

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

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

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

1.5 Income

All income is recognised once the Trust 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.

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

1. ACCOUNTING POLICIES (continued)

1.6 Expenditure

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

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

Charitable activities and Governance costs 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.

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 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. A full year's depreciation is charged in the year of acquisition and in the year of disposal there is no depreciation charge. 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.

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:

Freehold property ¹	-	over its estimated useful life
L/Term Leasehold Property	-	over 50 years
Fixtures and fittings	-	over 4 years
Computer equipment	-	over 3 years

Freehold land is not depreciated.

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

1. ACCOUNTING POLICIES (continued)

1.8 Taxation

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

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 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.

1.11 Liabilities and provisions

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

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

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

1.12 Financial instruments

The Academy Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Except for the Local Government Pension Scheme (LGPS) deficit, basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Prepayments and deferred income do not constitute basic financial instruments.

The LGPS pension deficit is recognised at its net present value at each balance sheet date and is based on an annual actuarial valuation. The key judgements in performing this valuation can be found in note 1.14.

EBN TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

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

1. ACCOUNTING POLICIES (continued)

1.14 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 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.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted general funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	<i>As restated Total funds 2015 £</i>
Donated freehold land and buildings	-	-	-	1,500,000
Capital Grants	-	1,025,523	1,025,523	84,618
	<u>-</u>	<u>1,025,523</u>	<u>1,025,523</u>	<u>1,584,618</u>

In 2015, of the total income from donations and capital grants, £ NIL was to unrestricted funds and £1,584,618 was to restricted fixed asset funds.

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

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Total funds 2016 £	<i>As restated Total funds 2015 £</i>
Hire of facilities/services	2,319	2,319	2,585

In 2015, of the total income from other trading activities, £5,610 was to unrestricted funds and £ NIL was to restricted funds.

4. FUNDING FOR TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Total funds 2016 £	<i>As restated Total funds 2015 £</i>
DfE/EFA grants				
General Annual Grant (GAG)	-	1,404,260	1,404,260	767,250
Start up Grants	-	222,500	222,500	10,500
Other DfE/EFA Grants	-	20,314	20,314	59,742
	-	1,647,074	1,647,074	837,492
Other government grants				
Pupil Premium grants	-	53,806	53,806	46,612
	-	53,806	53,806	46,612
Other funding				
Sponsorship income	-	11,999	11,999	-
Pupil led funding	1,307,607	-	1,307,607	1,074,026
Other Income	57,721	-	57,721	-
Catering income	40,373	-	40,373	3,025
	1,405,701	11,999	1,417,700	1,077,051
	1,405,701	1,712,879	3,118,580	1,961,155

In 2015, of the total income from charitable activities, £1,077,051 was to unrestricted funds and £884,104 was to restricted funds.

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

5. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	<i>Total 2015 £</i>
Funding for the Academy:					
Direct costs	1,829,368	321,352	482,384	2,633,104	1,675,109
Support costs	434,466	141,803	278,892	855,161	608,619
	<u>2,263,834</u>	<u>463,155</u>	<u>761,276</u>	<u>3,488,265</u>	<u>2,283,728</u>

In 2015, of the total expenditure, £1,029,455 was to unrestricted funds, £1,003,653 was to restricted funds and £250,620 was to restricted fixed asset funds.

6. SUPPORT COSTS - CHARITABLE ACTIVITIES

	Total 2016 £	<i>Total 2015 £</i>
Technology costs	2,756	2,245
Recruitment and support	48,317	62,381
Maintenance of premises and equipment	141,803	59,163
Security and transport	15,725	7,153
Catering	58,774	46,743
Other support costs	61,392	13,817
Subscriptions	56,921	46,278
Governance costs	16,475	14,027
Legal and professional fees	18,532	50,930
Wages and salaries	353,774	259,610
National insurance	27,133	14,743
Pension cost	53,559	31,529
	<u>855,161</u>	<u>608,619</u>

Included within governance costs are any costs associated with the strategic as opposed to day-to-day management of the charity's activities. These costs will include the cost of charity employees involved in meetings with trustees, the cost of any administrative support provided to the trustees, and costs relating to constitutional and statutory requirements including audit and preparation of statutory accounts.

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

7. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016	<i>2015</i>
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	321,352	<i>250,620</i>
Auditor's remuneration - audit	11,850	<i>8,550</i>
Auditor's remuneration - other services	4,625	<i>5,477</i>
Operating lease rentals	5,180	<i>-</i>
	342,987	<i>264,647</i>

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

8. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	1,703,071	889,565
Social security costs	158,790	83,712
Operating costs of defined benefit pension schemes	244,598	106,576
	<u>2,106,459</u>	<u>1,079,853</u>
Supply teacher costs	157,375	161,426
	<u>2,263,834</u>	<u>1,241,279</u>

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

	2016 No.	2015 No.
Management	4	7
Teaching	17	13
Admin and support	31	6
	<u>52</u>	<u>26</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	2	0
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	1	1

The key management personnel of the Trust comprise the Chief Executive Officer, Business and Finance Manager and the Principals of each Academy. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £331,032 (2015: £225,293).

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

9. RELATED PARTY TRANSACTIONS - DIRECTORS' REMUNERATION AND EXPENSES

One or more Directors has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Directors. The value of Directors' remuneration and other benefits was as follows:

		2016 £	2015 £
M Rooney	Remuneration	95,000-100,000	90,000-95,000
	Pension contributions paid	15,000-20,000	10,000-15,000
M Baldwin	Remuneration	70,000-75,000	70,000-75,000
	Pension contributions paid	10,000-15,000	10,000-15,000
S Wheatley	Remuneration	50,000-55,000	35,000-40,000
	Pension contributions paid	-	-
A Simons	Remuneration	65,000-70,000	-
	Pension contributions paid	10,000-15,000	-

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

10. TANGIBLE FIXED ASSETS

	Freehold property £	L/Term Leasehold Property £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2015	1,500,000	1,000,000	698,022	256,144	3,454,166
Additions	697,091	-	93,077	78,221	868,389
At 31 August 2016	<u>2,197,091</u>	<u>1,000,000</u>	<u>791,099</u>	<u>334,365</u>	<u>4,322,555</u>
Depreciation					
At 1 September 2015	-	60,004	508,099	156,985	725,088
Charge for the year	31,996	20,000	187,324	82,032	321,352
At 31 August 2016	<u>31,996</u>	<u>80,004</u>	<u>695,423</u>	<u>239,017</u>	<u>1,046,440</u>
Net book value					
At 31 August 2016	<u>2,165,095</u>	<u>919,996</u>	<u>95,676</u>	<u>95,348</u>	<u>3,276,115</u>
At 31 August 2015	<u>1,500,000</u>	<u>939,996</u>	<u>189,923</u>	<u>99,159</u>	<u>2,729,078</u>

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

11. DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £107 (2015 - £315).

12. DEBTORS

	2016 £	As restated 2015 £
Due after more than one year		
Other debtors	97,203	138,870
	97,203	138,870
Due within one year		
Trade debtors	53,307	103,506
Other debtors	297,392	80,935
Prepayments and accrued income	453,754	105,561
	804,453	290,002

13. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	332,759	196,181
Other taxation and social security	48,236	26,997
Other creditors	35,691	155,931
Accruals and deferred income	364,147	81,713
	780,833	460,822
Deferred income		
Deferred income at 1 September 2015	57,313	171,225
Resources deferred during the year	52,660	57,313
Amounts released from previous years	(57,313)	(171,225)
	52,660	57,313

Deferred income consists of financial contributions received in advance of the 2016/17 academic year.

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**NOTES TO THE FINANCIAL STATEMENTS
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14. PRIOR YEAR ADJUSTMENT

The Trust has identified income and a related debtor which should not have been recognised in the previous year's financial statements. The income related to sales invoices raised to EBN Education Partnership but the decision has now been made to bring the services provided by EBN Education Partnership into the Trust.

The amounts involved totalled £57,474 and the adjustment has had the effect of reducing brought forward unrestricted reserves and trade debtors by £57,474.

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**NOTES TO THE FINANCIAL STATEMENTS
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15. STATEMENT OF FUNDS

	Brought Forward <i>As restated</i> £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Pupil led funding	272,532	1,307,607	(1,052,077)	-	-	528,062
EBN Network surplus	241,141	-	(241,141)	-	-	-
Other income	9,093	100,413	(98,094)	-	-	11,412
	<u>522,766</u>	<u>1,408,020</u>	<u>(1,391,312)</u>	<u>-</u>	<u>-</u>	<u>539,474</u>
Restricted general funds						
General Annual Grant (GAG)	(3,262)	1,404,260	(1,326,824)	(50,793)	-	23,381
Start up grants	-	222,500	(222,500)	-	-	-
Other EFA grants	-	20,314	(20,314)	-	-	-
Local authority - other grants	107,158	53,806	(160,964)	-	-	-
Other Income	-	11,999	(11,999)	-	-	-
Pension reserve	(39,000)	-	(33,000)	-	(123,000)	(195,000)
	<u>64,896</u>	<u>1,712,879</u>	<u>(1,775,601)</u>	<u>(50,793)</u>	<u>(123,000)</u>	<u>(171,619)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	1,229,078	-	(321,352)	868,389	-	1,776,115
Donation of fixed assets	1,500,000	-	-	-	-	1,500,000
Capital grants	-	1,025,523	-	(817,596)	-	207,927
	<u>2,729,078</u>	<u>1,025,523</u>	<u>(321,352)</u>	<u>50,793</u>	<u>-</u>	<u>3,484,042</u>
Total restricted funds	<u>2,793,974</u>	<u>2,738,402</u>	<u>(2,096,953)</u>	<u>-</u>	<u>(123,000)</u>	<u>3,312,423</u>
Total of funds	<u><u>3,316,740</u></u>	<u><u>4,146,422</u></u>	<u><u>(3,488,265)</u></u>	<u><u>-</u></u>	<u><u>(123,000)</u></u>	<u><u>3,851,897</u></u>

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

15. STATEMENT OF FUNDS (continued)

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

Restricted general fund

The following grants relate to government funding for the provision of education by the Academy and must be spent in line with the terms of the grants:

- General Annual Grant
- Start up grants
- Other EFA grants
- Local authority grants

Unrestricted fund

Pupil led funding comprises income receivable from the East Birmingham Network of schools in respect of pupils who have been transferred to EBN Trust for alternative education.

Restricted fixed asset fund

Represents represents the carrying value of fixed assets that have either been donated under restriction or purchased from restricted grants.

Transfers between funds

Transfers expenditure on fixed assets from the restricted funds, and recurrent educational expenditure in excess of GAG and which is funded from unrestricted funds.

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

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £	<i>Total 2015 £</i>
EBN 1	373,093	532,405
EBN 2	68,410	94,257
Trust	121,352	-
Total before fixed asset fund and pension reserve	<u>562,855</u>	<u>626,662</u>
Restricted fixed asset fund	3,484,042	2,729,078
Pension reserve	(195,000)	(39,000)
Total	<u><u>3,851,897</u></u>	<u><u>3,316,740</u></u>

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

15. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2016 £	Total 2015 £
EBN1	982,248	224,466	18,151	440,360	1,665,225	1,936,129
EBN 2	716,431	152,272	12,795	295,752	1,177,250	94,979
Trust	130,689	57,728	-	136,021	324,438	-
	<u>1,829,368</u>	<u>434,466</u>	<u>30,946</u>	<u>872,133</u>	<u>3,166,913</u>	<u>2,031,108</u>

16. CENTRAL SERVICES

No central services were provided by the Trust to its academies during the year and no central charges arose. The Trust's second free school, EBN Phase 2 only commenced operations from 1 September 2015. Central recharges will be considered in due course.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
Tangible fixed assets	-	-	3,276,115	3,276,115	2,729,078
Debtors due after more than 1 year	-	97,203	-	97,203	81,396
Current assets	539,474	707,011	207,927	1,454,412	1,006,088
Creditors due within one year	-	(780,833)	-	(780,833)	(460,822)
Provisions for liabilities and charges	-	(195,000)	-	(195,000)	(39,000)
	<u>539,474</u>	<u>(171,619)</u>	<u>3,484,042</u>	<u>3,851,897</u>	<u>3,316,740</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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**18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW
FROM OPERATING ACTIVITIES**

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	658,157	1,264,630
Adjustment for:		
Depreciation charges	321,352	250,620
Donation of assets	-	(1,500,000)
(Increase)/decrease in debtors	(166,443)	467,247
(Decrease)/increase in creditors	(45,826)	67,829
Capital grants from DfE and other capital income	(1,025,523)	(84,618)
Defined benefit pension scheme cost less contributions payable	32,000	16,000
Defined benefit pension scheme finance cost	1,000	2,000
Net cash (used in)/provided by operating activities	(225,283)	483,708

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	649,959	658,612
Total	649,959	658,612

20. PENSION COMMITMENTS

The Trust'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 West Midlands Pension Fund. 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.

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

Teachers' Pension Scheme

Introduction

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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20. PENSION COMMITMENTS (continued)

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 (previously 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 £164,721 (2015 - £72,765).

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NOTES TO THE FINANCIAL STATEMENTS
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20. PENSION COMMITMENTS (continued)

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 £25,000 (2015 - £31,009), of which employer's contributions totalled £16,000 (2015 - £19,362) and employees' contributions totalled £9,000 (2015 - £11,647). The agreed contribution rates for future years are 16.2% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2016	<i>2015</i>
Discount rate for scheme liabilities	2.20 %	<i>4.00 %</i>
Rate of increase in salaries	3.75 %	<i>4.15 %</i>
Rate of increase for pensions in payment / inflation	2.00 %	<i>2.40 %</i>
Inflation assumption (CPI)	2.00 %	<i>2.40 %</i>

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

	2016	<i>2015</i>
Retiring today		
Males	23.1	<i>23.0</i>
Females	25.8	<i>25.6</i>
Retiring in 20 years		
Males	25.3	<i>25.2</i>
Females	28.1	<i>28.0</i>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	89,000	61,000
Government bonds	10,000	8,000
Other bonds	13,000	11,000
Property	12,000	9,000
Cash/liquidity	10,000	5,000
Other	16,000	10,000
	<u>150,000</u>	<u>104,000</u>

The actual return on scheme assets was £23,000 (2015 - £4,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2016 £	2015 £
Current service cost	48,000	35,000
Net interest cost	1,000	2,000
Current service cost	-	-
	<u>49,000</u>	<u>37,000</u>
Actual return on scheme assets	<u>23,000</u>	<u>4,000</u>

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

	2016 £	2015 £
Opening defined benefit obligation	143,000	82,000
Current service cost	48,000	35,000
Interest cost	6,000	5,000
Contributions by employees	9,000	11,000
Actuarial losses	141,000	10,000
Benefits paid	(2,000)	-
	<u>345,000</u>	<u>143,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening fair value of scheme assets	104,000	70,000
Interest income	5,000	3,000
Actuarial gains and (losses)	18,000	1,000
Contributions by employer	16,000	19,000
Contributions by employees	9,000	11,000
Benefits paid	(2,000)	-
	<hr/>	<hr/>
Closing fair value of scheme assets	<u>150,000</u>	<u>104,000</u>

21. 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	5,902	4,667
Between 1 and 5 years	6,438	9,333
	<hr/>	<hr/>
Total	<u>12,340</u>	<u>14,000</u>

22. 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.

23. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.

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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. FIRST TIME ADOPTION OF FRS 102

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

The policies applied under the Academy Trust's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.

The Local Government Pension Scheme has been adjusted to reflect changes resulting from transition to FRS 102 and whilst there is no difference to report in the net liability, the actuarial loss has decreased by £2,000 to £9,000 with an increase in the charge to expenditure of the same amount.