

Registered number: 07665550

EBN TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

EBN TRUST
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS/ TRUSTEES
AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Directors

G Alexander
J Allen
J Farrell, Chair of Directors
B Mabey, Vice Chair of Directors
G Ferrante (appointed 1 March 2015)
A Anderson (appointed 1 March 2015)
M McCrohon
C Quinn
M Rooney, Executive Principal
N Conroy
J Tongue
M Baldwin, Principal
S Wheatley

Members

C Quinn (resigned 1 October 2014)
B Mabey (resigned 1 October 2014)
M Rooney (resigned 1 October 2014)
M McCrohon (appointed 1 October 2014)
G Ferrante (appointed 1 October 2014)
S Hartle (appointed 1 October 2014)
A Anderson (appointed 1 October 2014)
H French (appointed 1 October 2014)

Company registered number

07665550

Principal and registered office

EBN Academy
Coventry road
Yardley
Birmingham
West Midlands
B8 2AS

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS/ TRUSTEES
AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Administrative details (continued)

Chief executive officer

Marie Rooney

Senior management team

M Baldwin, Principal
L Thomas, Vice Principal
K Sarabadu, Curriculum Leader for English
K Shearer, Curriculum Leader for Maths
S Hunter, Curriculum Leader for Science
S Wheatley, Trust 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

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Directors present their annual report together with the audited financial statements of EBN Trust (the Trust) for the year ended 31 August 2015. The Directors confirm that the Annual report and financial statements of the Trust comply with the current statutory requirements, the requirements of the Trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The Trust is a company limited by guarantee and is an exempt charity. The Charitable Company's Memorandum and Articles of Association and Funding Agreement are the primary governing documents of the Trust. The Charitable Company was incorporated on the 10 June 2011. On 27 November 2014 a special resolution was passed adopting the new Articles of Association of the Multi-Academy Trust. The Deed of Variation of Funding Agreement which the Trust adheres to was signed on 19 March 2015.

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.

Details of the Directors who served the EBN Trust and EBN Academy throughout 2014/15 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 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.

PRINCIPAL ACTIVITIES

EBN Trust operates two 13-16 alternative provision Free schools. The Trust had its first Ofsted in May 2014 and was judged a "Good" school in all categories.

The object of the Trust is set out in the Articles of Association, namely to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing an educational institution which is principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academy").

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.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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 consisted 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 Pupil Matters 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:

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

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

RISK MANAGEMENT

The Directors have considered the major risks to which the Trust is exposed, in particular those relating to governance, finance, insurance, attainment, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT.

The Board of Directors has implemented a number of systems to assess and reduce risks that the Trust faces, especially in operational areas in relation to teaching, health and safety (including school trip and offsite provision), behaviour management and in relation to the control of finances. They have introduced policies and systems for the recruitment, selection and vetting of staff, continual professional development of staff, child protection, supervision of students around the site and internal financial controls to minimise financial risk. Adequate insurance has been arranged where significant financial risk remains. The Trust continues to strive towards improving its systems of internal control as described in the Governance Statement.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

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.

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.

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 and the sub committees, each of which are led by 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 resources 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.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

The key aims of the Trust for the forthcoming year are:

1. To employ the strategies that secure high standards of learning for all students and develop confident successful learners who have high expectations for themselves (Resilience, Perseverance, Growth Mindset, Learning Pit, 6B's);
2. Teachers to establish learners true starting points (including KASH);
3. To ensure all students achieve challenging outcomes by demystifying how each destination will be achieved (start with destination and working backwards) and develop greater teacher clarity to ensure that demystify the learning process for all students eg. Model answer collectors, Pre-Mortem, Black Belt Assessors, Curator of Model Answers;
4. Regularly elicit proof that learning has taken place for each student;
5. Teachers planning and teaching takes into account appropriate levels of challenge to motivate all learners;
6. To employ strategies that give students regular real time feedback that develops students Knowledge, Attitudes, Skills and Habits while also training them to give quality feedback to themselves and each other;
7. To ensure that all teachers understand their responsibilities to systematically teach literacy and numeracy across the curriculum; Refine the current assessment tracking system to provide more accurate data, identify gaps and close the gap on end of Key stage 4 prior attainment targets;
8. To ensure that progress over time (as defined by the Academy) is monitored closely so that all students, irrespective of groups, are challenged to make rapid progress and add value across all subjects;
9. To ensure that the Diagnosis, Therapy, Testing (DTT) model is used across all teaching areas to narrow the achievement gap;
10. To embed baseline testing method to provide meaningful and relevant data about students starting points that is valid and accurate so that progress over time is measurable and that progress against targets shows clear progression and value added by the school;
11. To ensure that a strong body of evidence is accumulated to show the impact of catch-up sessions;
12. To develop staff understanding of data analysis in order to be more effective in focusing interventions;
13. To launch EBN Character Curriculum across all form groups (Citizenship, Responsibility, Respect, Tolerance, Caring, Trustworthiness, Fairness);
14. Implementation of new induction programme to include greater identification of KASH- attitudes and habit to inform Induction support plans;
15. Greater focus on behavioural data and rewards system to motivate students towards positive behaviour;
16. Ensure that Safeguarding Children Procedures are in line with National Guidelines;
17. The Executive Team in consultation with the Trust ensure that the strategic direction of the school is clearly articulated in an over-view of the school improvement plan so that all staff understand the vision and appreciate the urgency for rapid and sustained improvement;

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DIRECTORS' REPORT (continued)
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18. Further Develop the Culture of the Growth Mindset;
19. Develop systems and Processes to deliver improved outcomes and create an achievement culture;
20. To ensure that the school's curriculum meets the needs of all students, including those with the most complex needs, to ensure accelerated progress;
21. Launch EBN Character Curriculum to develop Citizenship, Responsibility, Respect, Tolerance, Caring, Trustworthiness, Fairness;
22. To ensure that attendance is a key focus for improvement.

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.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

EBN Trust was legally formed on midnight of 31st August 2012. This report covers the Trust's third academic year and financial year of operation.

An Ofsted inspection was carried out in May 2014 and judged Good in all categories. An external Mocksted was carried out in April 2015 which confirmed the quality of provision to be consistently Good with outstanding features.

There were 103 students on roll on 31st August 2015.

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.

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DIRECTORS' REPORT (continued)
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Table 1 provides a summary of the Trust's performance in summer 2015 examination session:

Table 1 Summary of GCSE examination results
Overall (33 Students) (2014: 27 Students)
5 A*-C 4% (2014: 6%)
5 A*-C 4% (including English and Maths) (2014: 3%)
5 A*-G 52% (2014: 42%)
5 A*-G 33% (including English and Maths) (2014: 42%)
1 A*-G 93% (2014: 85%)

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. Student numbers for 2014/15 were 90 (2014: 90) which is expected to remain consistent in 2015/16.

Another key financial performance indicator is staffing costs as a percentage of income. For 2014/15 this was 58.2% (2014: 56.8%) compared to a budget of 63.9% (2014: 75.3%).

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.

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The objective of the Trust Risk Management procedure is to identify the principal risks facing the Trust and that existing controls may be considered and further action taken if required, including external insurance.

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 2014/15 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.

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.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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.

Next year the Trust has opens EBN Phase 2 on 1st September 2015 which will have a vocational focus on motor vehicles.

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.

RESERVES POLICY

The Board of Directors reviews the reserve levels of the Trust at least termly. 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.

FINANCIAL REVIEW

The Trust received income into its unrestricted fund, restricted general funds and fixed assets fund during 2014/15.

Unrestricted Funds

Income received into the Unrestricted Fund was £1,137,110 (2014: £942,906 as restated). The majority of this income was received through commissioner led funding from the East Birmingham Network Partnership of Schools in meeting the additional cost of providing alternative education that was not funded through GAG.

Expenditure against the fund was £1,027,455 (2014: £860,593 as restated).

There is an Unrestricted Fund carry forward of £580,240 at the year end (2014: £470,585 as restated), after transfers between funds and the prior year adjustment.

Restricted General Fund

The majority of the Trust's restricted income was received through the GAG and start up grants, the use of which is restricted to the Trust's charitable activities, its educational operations. The sum total of this funding was £884,104 (2014: £907,030 as restated). Expenditure against the fund was £1,003,653 (2014: £1,218,957 as restated).

There is a Restricted Fund carry forward of £64,896 at the year end (2014: £203,582 as restated), after transfers between funds and the prior year adjustment.

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DIRECTORS' REPORT (continued)
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Restricted fixed asset/capital fund

The Restricted Fixed Asset Fund Balance is reduced by an annual depreciation charge over the expected useful life of the assets concerned in line with the Trust's depreciation policy.

The SOFA details a £2,729,078 (2014: £1,386,943) Restricted Fixed Asset Fund year end surplus after transfers between funds.

SUMMARY OF FINANCIAL PERFORMANCE

Total fund balance as at 31st August 2015 was £3,374,214 (2014: £2,061,110 as restated) comprising surpluses of £580,240, £64,896, and £2,729,078 in Unrestricted, Restricted General and Restricted Fixed Assets Funds respectively. Included in restricted reserves is the LGPS pension deficit of £39,000.

An adjustment has also been made to recognise income and expenditure which should have been recognised in the previous year's financial statements because the right to entitlement or the liability existed before 31 August 2014.

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 £2,729,078 at 31st August 2015.

Cash in hand at 31st August 2015 was £658,612.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

EBN Trust holds the funds for the EBN Education Partnership which is used to pay for the salaries of the employees who run the EBN Partnership and the broader activities that support the networks behaviour strategy. The value of the funds held as of August 2015 was £212,692.

The transactions relating to EBN Education Partnership are separate and have not been included in these financial statements.

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.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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 the Strategic report, was approved by order of the Board of Directors, as the company directors, on 18-12-15 and signed on the board's 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 Directors' responsibilities statement. 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	4	4
J Allen	4	4
J Farrell, Chair of Directors	3	4
B Mabey, Vice Chair of Directors	4	4
G Ferrante	0	1
A Anderson	0	1
C Quinn	4	4
M Rooney, Executive Principal	4	4
M Baldwin, Principal	4	4
S Wheatley	4	4

Governance reviews:

The Board of Directors intends to undertake a self evaluation review to assess their effectiveness at governing the Trust within the next twelve months.

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GOVERNANCE STATEMENT (continued)

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	4	4
J Allen	3	4
M Rooney	4	4
M Baldwin	4	4
S Wheatley	3	3

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	3	3
C Allen-Smith	1	3
M Rooney	2	3
M Baldwin	3	3
S Hunter	3	3

REVIEW OF VALUE FOR MONEY

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

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

- Improving Educational Standards: EBN Academy has a rigorous appraisal policy for all staff and good CPD opportunities. Target setting and intervention for scholars is very detailed and HMI Ofsted and graded the school 'Good', in May 2014. An improvement in scholar results at GCSE level during the academic year 2014/15 is evident.
- Targeted Improvement: The staffing structure has been kept under continual review at EBN Academy with changes at Leadership level taking place with effect from September 2014. In order to ensure the sustainability of the rapid educational improvement plan, the staffing structure has been further streamlined to support its 'fitness-for-purpose' to further support the formation of the Multi-Academy Trust during 2014/15. The decision to appoint a 'Director of Finance' took place during the Summer Term 2014 and this postholder took up the position during October 2014. Salary commitments have been modelled to ensure that EBN Academy does not over commit on salary expenditure and detailed scrutiny takes place on a regular basis which involves the Leadership Team and Trust.
- Focus on Individual Scholars: EBN Academy has managed the differing needs of scholars through the provision of numerous intervention strategies to provide support for those scholars who need one to one support and those that require more stretch. EBN Academy consistently offers high quality teaching, a curriculum that supports individual needs and acceleration, a regular and robust assessment process,

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GOVERNANCE STATEMENT (continued)

- high quality enrichment activities and educational events. The school encourage scholars to take leadership roles within our community.
- Collaboration and New Initiatives: EBN Academy engages with other educational providers and businesses to drive up standards on a cost effective basis in order to provide additional life chances for scholars within the Birmingham area.
EBN Academy works in collaboration with Archbishop Ilesley Catholic School; Bishop Walsh Catholic Academy; Cockshut Hill Technology College; Greenwood Academy; Hodge Hill Sports and Enterprise College; International School; John Willmott School; King Edwards Sheldon Heath; Ninestiles Academy; Park View Academy; and Washwood Heath Academy. EBN Academy business educational providers include The Prince's Trust, South and City College Birmingham, Learn Fit and Birmingham Metropolitan College.
 - Quantifying Improvements: Scholars educational achievement and attainment have improved during the year 2014/15; attendance has shown an improvement where exclusions have also decreased; and HMI Ofsted graded the school as 'Good' in May 2014.
 - Financial Governance and Oversight: The Board of Directors receives oversight from its Accounting Officer through the Business Finance and HR Committee. Enhanced regular management meetings are held between the Accounting Officer, Head of School and Finance Manager to:
 - review the latest financial position of the Academy;
 - to investigate income and expenditure matters;
 - and make any necessary recommendations to the Leadership Committee (which meets half-termly).The Academy has undertaken termly internal financial audit during 2014/15 in order to ensure compliance by undertaking the role of Responsible Officer. It is expected that Business Services for Education Limited will remain as the 'named Responsible Officer' during 2015/16, with the work being undertaken by the independent company on a termly basis as in accordance with the Academies Financial Handbook.
 - Better Purchasing: Services and contracts are reviewed annually and at the end of each contract term to ensure value for money as well as cross-reference the service/product is still fit-for-purpose. A complete review of all services and contracts will take place in September 2015 in line with the opening of EBN Academy Phase 2.
 - Benchmarking: Benchmarking is undertaken in collaboration with other educational providers within the Trust as well as through national comparisons, where appropriate.
 - Tendering: Tendering is undertaken wherever appropriate and consideration given to assessment of the costs over longer terms, purchasing v. leasing, etc. where necessary.
 - Economies of Scale: Bulk purchases are considered where appropriate to drive best price.
 - Income Generation: Letting of EBN Academy facilities does not currently take place since it will not provide value for money and health and safety regulations will not be successfully able to be met. Grant opportunities are exploited when available.
 - Reviewing Controls and Managing Risk: The Accounting Officer and Directors receive regular budget reports through the Business Finance and HR Committee meetings. Monthly budget reports have been received by the Accounting Officer during 2014/15 and all members of the Business, Finance and HR Committee in between scheduled meetings.
 - Lessons learned: Any lessons learned are reported to the Directors via the various Committee meetings held throughout the year and any changes or policy amendments are considered and approved at these meetings as necessary.
-

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GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 2014 to 31 August 2015 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 2014 to 31 August 2015 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. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of controls over petty cash
- testing of sales systems
- recognition of income on the finance system

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)

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 18-12-15 and signed on its behalf, by:



J Farrell
Chair of Directors

M Rooney
Accounting Officer



EBN TRUST
(A company limited by guarantee)

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

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 (including the Strategic 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;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 18-12-15 and signed on its behalf by:


J Farrell
Chair of Directors

EBN TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of EBN Trust I have considered my responsibility to notify the Trust Board of Directors 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 Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the Trust Board of Directors are able to identify any material, irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook (2014).

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 Directors and EFA.

Marie Rooney

M Rooney
Accounting Officer

Date: 18/12/15

EBN TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EBN TRUST

We have audited the financial statements of EBN Trust for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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) and the Academies Accounts Direction 2014 to 2015 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 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 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 Directors' responsibilities statement, the Directors (who are directors of the charitable company 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 charitable company'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, incorporating the Strategic 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 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

EBN TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT 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: 21-12-11

EBN TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S 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 2014 to 2015, 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 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 ACCOUNTANT

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 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure. The work undertaken to draw our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the Academy and specific transactions identified from our review.

EBN TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S 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 2014 to 31 August 2015 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

Statutory Auditor

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

Date: 21-12-15

EBN TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted general funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	As restated Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	-	-	1,500,000	1,500,000	-
Activities for generating funds	3	5,610	-	-	5,610	507
Incoming resources from charitable activities	4	1,131,500	884,104	84,618	2,100,222	1,919,634
TOTAL INCOMING RESOURCES		1,137,110	884,104	1,584,618	3,605,832	1,920,141
RESOURCES EXPENDED						
Charitable activities		1,013,428	1,003,653	250,620	2,267,701	2,315,815
Governance costs	8	14,027	-	-	14,027	14,100
TOTAL RESOURCES EXPENDED	5	1,027,455	1,003,653	250,620	2,281,728	2,329,915
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS						
		109,655	(119,549)	1,333,998	1,324,104	(409,774)
Transfers between Funds	18	-	(8,137)	8,137	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR						
		109,655	(127,686)	1,342,135	1,324,104	(409,774)
Actuarial gains and (losses) on defined benefit pension schemes		-	(11,000)	-	(11,000)	14,000
NET MOVEMENT IN FUNDS FOR THE YEAR						
		109,655	(138,686)	1,342,135	1,313,104	(395,774)
Total funds at 1 September 2014		511,011	222,222	1,386,943	2,120,176	2,456,884
Prior year adjustment (Note 17)		(40,426)	(18,640)	-	(59,066)	-
TOTAL FUNDS AT 31 AUGUST 2015		580,240	64,896	2,729,078	3,374,214	2,061,110

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 26 to 45 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	2015		As restated 2014	
		£	£	£	£
FIXED ASSETS					
Tangible assets	14		2,729,078		1,386,943
CURRENT ASSETS					
Debtors: amounts falling due after more than one year	15	138,870		180,555	
Debtors: amounts falling due within one year	15	347,476		630,946	
Cash at bank and in hand		658,612		209,895	
		<u>1,144,958</u>		<u>1,021,396</u>	
CREDITORS: amounts falling due within one year	16	<u>(460,822)</u>		<u>(335,229)</u>	
NET CURRENT ASSETS			<u>684,136</u>		<u>686,167</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,413,214</u>		<u>2,073,110</u>
Defined benefit pension scheme liability	23		<u>(39,000)</u>		<u>(12,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>3,374,214</u></u>		<u><u>2,061,110</u></u>
FUNDS OF THE TRUST					
Restricted general funds:					
Restricted general funds	18	103,896		215,582	
Restricted fixed asset funds	18	2,729,078		1,386,943	
		<u>2,832,974</u>		<u>1,602,525</u>	
Restricted funds excluding pension liability					
Pension reserve		<u>(39,000)</u>		<u>(12,000)</u>	
Total restricted funds			<u>2,793,974</u>		<u>1,590,525</u>
Unrestricted funds	18		<u>580,240</u>		<u>470,585</u>
TOTAL FUNDS			<u><u>3,374,214</u></u>		<u><u>2,061,110</u></u>

The financial statements were approved by the Directors, and authorised for issue, on 18-12-15 and are signed on their behalf, by:

J Farrell
Chair of Directors

The notes on pages 26 to 45 form part of these financial statements.

EBN TRUST
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	<i>As restated</i> 2014 £
Net cash flow from operating activities	20	483,708	105,197
Capital expenditure and financial investment	21	(34,991)	(9,640)
INCREASE IN CASH IN THE YEAR		<u>448,717</u>	<u>95,557</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £	<i>As restated</i> 2014 £
Increase in cash in the year	448,717	95,557
MOVEMENT IN NET FUNDS IN THE YEAR	<u>448,717</u>	<u>95,557</u>
Net funds at 1 September 2014 (as restated)	209,895	114,338
NET FUNDS AT 31 AUGUST 2015	<u>658,612</u>	<u>209,895</u>

The notes on pages 26 to 45 form part of these financial statements.

EBN TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by the EFA, applicable accounting standards and the Companies Act 2006.

Certain comparative figures have been restated to retain comparability with the current year's analysis of certain income and expenditure.

1.2 Company status

The Trust is a company limited by guarantee. 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 one year from the date of approval of the financial statements.

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 funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

1.5 Incoming resources

All incoming resources are included in the Statement of financial activities when the Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

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

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

EBN TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

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

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

1.6 Resources expended

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

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

Charitable activities are costs incurred in the Trust's educational operations.

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

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. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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.

EBN TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are stated at cost less depreciation. 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	-	over its estimated useful life
L/Term Leasehold Property	-	over 50 years
Fixtures and fittings	-	over 4 years
Computer equipment	-	over 3 years

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 Recognition of liabilities

Liabilities are only recognised when the Trust has an obligation as a result of a past event, and a reliable estimate can be made of the amount of the obligation.

1.10 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 quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

EBN TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

2. VOLUNTARY INCOME

	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donated freehold land and buildings	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Hire of facilities/services	899	899	-
Catering income	3,025	3,025	-
Other income	1,686	1,686	507
	<u>5,610</u>	<u>5,610</u>	<u>507</u>

EBN TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

4. FUNDING FOR TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>As restated</i> Total funds 2014 £
DfE/EFA grants				
General Annual Grant (GAG)	-	767,250	767,250	639,335
Start up Grants	-	10,500	10,500	52,157
Capital Grants	-	84,618	84,618	70,205
Other DfE/EFA Grants	-	59,742	59,742	191,388
	-	922,110	922,110	953,085
Local Authority grants				
Pupil premium grants	-	46,612	46,612	24,650
	-	46,612	46,612	24,650
Other funding				
Pupil led funding	1,131,500	-	1,131,500	941,899
	1,131,500	-	1,131,500	941,899
	1,131,500	968,722	2,100,222	1,919,634

5. RESOURCES EXPENDED

	Staff costs 2015 £	Non Pay Premises 2015 £	Expenditure Other costs 2015 £	Total 2015 £	<i>As restated</i> Total 2014 £
Academy's educational operations:					
Direct costs	935,397	250,620	489,092	1,675,109	1,824,127
Allocated support costs	303,882	59,163	229,547	592,592	491,688
Charitable activities	1,239,279	309,783	718,639	2,267,701	2,315,815
Governance	-	-	14,027	14,027	14,100
	1,239,279	309,783	732,666	2,281,728	2,329,915

EBN TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

6. DIRECT COSTS - CHARITABLE ACTIVITIES

	Total 2015 £	<i>As restated Total 2014 £</i>
Technology costs	1,952	12,211
Educational supplies	25,437	53,525
Examination fees	8,526	7,685
Staff development	11,608	18,925
Other direct costs	37,104	45,770
Alternative education costs	404,465	545,438
Wages and salaries	791,381	760,377
National insurance	68,969	57,497
Pension cost	75,047	72,334
Depreciation	250,620	250,365
	1,675,109	1,824,127

7. SUPPORT COSTS - CHARITABLE ACTIVITIES

	Total 2015 £	<i>As restated Total 2014 £</i>
Technology costs	2,245	2,788
Recruitment and support	62,381	43,205
Maintenance of premises and equipment	18,951	23,612
Cleaning	4,772	7,395
Rent and rates	3,287	16,818
Energy costs	16,545	31,396
Insurance	15,608	8,838
Security and transport	7,153	6,186
Catering	46,743	20,823
Bank interest and charges	34	17
Other support costs	13,783	48,631
Subscriptions	46,278	49,358
Legal and professional fees	50,930	29,870
Wages and salaries	259,610	165,699
National insurance	14,743	11,847
Pension cost	29,529	25,205
	592,592	491,688

EBN TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

8. GOVERNANCE COSTS

	Unrestricted 2015 £	Restricted 2015 £	Total funds 2015 £	<i>As restated</i> Total funds 2014 £
Auditor's remuneration	8,550	-	8,550	8,250
Auditor's non audit costs	5,477	-	5,477	5,715
Trustees expenses reimbursed	-	-	-	135
	<u>14,027</u>	<u>-</u>	<u>14,027</u>	<u>14,100</u>

9. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	<i>As restated</i> 2014 £
Depreciation of tangible fixed assets: - owned by the charity	250,620	250,365
Auditor's remuneration - audit of financial statements	8,550	8,250
Auditor's remuneration - other services	5,477	5,715
	<u>264,647</u>	<u>264,335</u>

10. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	<i>As restated</i> 2014 £
Wages and salaries	889,564	799,425
Social security costs	83,712	69,344
Other pension costs (Note 23)	104,576	97,539
	<u>1,077,852</u>	<u>966,308</u>
Supply teacher costs	161,427	126,651
	<u>1,239,279</u>	<u>1,092,959</u>

EBN TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

10. STAFF (continued)

b. Staff numbers

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

	2015 No.	2014 No.
Management	6	2
Teaching	14	16
Admin and support	6	7
	<u>26</u>	<u>25</u>

c. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2015 No.	<i>As restated</i> 2014 No.
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	1	1
	<u>1</u>	<u>1</u>

During the year ended 31 August 2014, Teachers' Pension scheme contributions for the above members of staff amounted to £21,353 (2014 - £22,109).

11. 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.

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12. 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:

		2015 £	2014 £
J Norbury	Remuneration	-	70,000-75,000
	Employer's pension contributions	-	5,000-10,000
M Rooney	Remuneration	90,000-95,000	85,000-90,000
	Employer's pension contributions	10,000-15,000	10,000-15,000
M Baldwin	Remuneration	70,000-75,000	-
	Employer's pension contributions	10,000-15,000	-
S Wheatley	Remuneration	35,000-40,000	-
	Employer's pension contributions	-	-

During the year, expenses totaling £nil (2014: £135) were reimbursed to no Directors (2014: 1).

13. DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Trust has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £315 (2014 - £303). The cost of this insurance is included in the total insurance cost.

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14. TANGIBLE FIXED ASSETS

	Freehold property £	L/Term Leasehold Property £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2014	-	1,000,000	678,203	183,208	1,861,411
Additions	1,500,000	-	19,819	72,936	1,592,755
At 31 August 2015	<u>1,500,000</u>	<u>1,000,000</u>	<u>698,022</u>	<u>256,144</u>	<u>3,454,166</u>
Depreciation					
At 1 September 2014	-	40,000	338,551	95,917	474,468
Charge for the year	-	20,004	169,548	61,068	250,620
At 31 August 2015	<u>-</u>	<u>60,004</u>	<u>508,099</u>	<u>156,985</u>	<u>725,088</u>
Net book value					
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>
At 31 August 2014	<u>-</u>	<u>960,000</u>	<u>339,652</u>	<u>87,291</u>	<u>1,386,943</u>

Freehold property addition in the year was brought into use after the year end hence no depreciation was charged in the year.

15. DEBTORS

	2015 £	<i>As restated</i> 2014 £
Due after more than one year		
Other debtors	138,870	180,555
	<u>138,870</u>	<u>180,555</u>
Due within one year		
Trade debtors	160,980	374,419
Other debtors	80,935	142,696
Prepayments and accrued income	105,561	113,831
	<u>347,476</u>	<u>630,946</u>

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16. CREDITORS:
Amounts falling due within one year

	2015	<i>As restated</i>
	£	<i>2014</i>
		£
Trade creditors	196,181	<i>145,165</i>
Other taxation and social security	26,997	<i>-</i>
Other creditors	155,931	<i>-</i>
Accruals and deferred income	81,713	<i>190,064</i>
	460,822	<i>335,229</i>
		£
Deferred income		
Deferred income at 1 September 2014		171,225
Resources deferred during the year		57,313
Amounts released from previous years		(171,225)
Deferred income at 31 August 2015		57,313

Deferred income consists of financial contributions received in advance of the 2015/16 academic year.

17. PRIOR YEAR ADJUSTMENT

The Trust has identified income and expenditure which should have been recognised in the previous year's financial statements because the right to entitlement or the liability existed before 31 August 2014.

The amounts involved totaled £59,066 and the adjustment has had the effect of reducing brought forward unrestricted reserves by £40,426 and restricted reserves by £18,640.

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

	Brought Forward <i>As restated</i> £	Incoming resources £	Resources Expended £	Transfers In/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Pupil led funding	187,207	1,131,500	(988,701)	-	-	330,006
EBN Network surplus	279,895	-	(38,754)	-	-	241,141
Other donations	3,483	-	-	-	-	3,483
Other income	-	5,610	-	-	-	5,610
	<u>470,585</u>	<u>1,137,110</u>	<u>(1,027,455)</u>	<u>-</u>	<u>-</u>	<u>580,240</u>
Restricted general funds						
General Annual Grant (GAG)	(6,640)	767,250	(755,735)	(8,137)	-	(3,262)
Start up grants	-	10,500	(10,500)	-	-	-
Other EFA grants	-	59,742	(59,742)	-	-	-
Local authority - other grants	222,222	46,612	(161,676)	-	-	107,158
Pension reserve	(12,000)	-	(16,000)	-	(11,000)	(39,000)
	<u>203,582</u>	<u>884,104</u>	<u>(1,003,653)</u>	<u>(8,137)</u>	<u>(11,000)</u>	<u>64,896</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	1,386,943	-	(166,002)	8,137	-	1,229,078
Donation of fixed assets	-	1,500,000	-	-	-	1,500,000
Capital grants	-	84,618	(84,618)	-	-	-
	<u>1,386,943</u>	<u>1,584,618</u>	<u>(250,620)</u>	<u>8,137</u>	<u>-</u>	<u>2,729,078</u>
Total restricted funds	<u>1,590,525</u>	<u>2,468,722</u>	<u>(1,254,273)</u>	<u>-</u>	<u>(11,000)</u>	<u>2,793,974</u>
Total of funds	<u>2,061,110</u>	<u>3,605,832</u>	<u>(2,281,728)</u>	<u>-</u>	<u>(11,000)</u>	<u>3,374,214</u>

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.

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18. STATEMENT OF FUNDS (continued)

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 2015.

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
EBN	589,879
EBN 2	94,257
	684,136
Total before fixed asset fund and pension reserve	2,729,078
Restricted fixed asset fund	(39,000)
Pension reserve	
	3,374,214

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 £
EBN1	935,262	309,056	13,296	678,515	1,936,129
EBN 2	135	-	6,967	87,877	94,979
	935,397	309,056	20,263	766,392	2,031,108

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19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted general funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	As restated Total funds 2014 £
Tangible fixed assets	-	-	2,729,078	2,729,078	1,386,943
Debtors due after more than 1 year	-	138,870	-	138,870	180,555
Current assets	649,676	356,412	-	1,006,088	840,841
Creditors due within one year	(69,436)	(391,386)	-	(460,822)	(335,229)
Provisions for liabilities and charges	-	(39,000)	-	(39,000)	(12,000)
	<u>580,240</u>	<u>64,896</u>	<u>2,729,078</u>	<u>3,374,214</u>	<u>2,061,110</u>

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	As restated 2014 £
Net incoming resources before revaluations	1,324,104	(409,774)
Depreciation of tangible fixed assets	250,620	250,365
Decrease in debtors	409,773	141,948
Donation of assets	(1,500,000)	-
Increase in creditors	67,829	178,863
Defined benefit pension liability - pension cost less contributions payable	16,000	14,000
Capital grant income	(84,618)	(70,205)
Net cash inflow from operations	<u>483,708</u>	<u>105,197</u>

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	As restated 2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(34,991)	(79,845)
Capital grant income	-	70,205
Net cash outflow capital expenditure	<u>(34,991)</u>	<u>(9,640)</u>

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22. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014	Cash flow	Other non-cash changes	31 August 2015
	£	£	£	£
Cash at bank and in hand:	209,895	448,717	-	658,612
Net funds	209,895	448,717	-	658,612

23. 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 defined benefit schemes.

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

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%);

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

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

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

The pension costs paid to TPS in the period amounted to £126,393 (2014: £114,667)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £31,009, of which employer's contributions totalled £19,362 and employees' contributions totalled £11,647. The agreed contribution rates for future years are 10.3% for employers and employee contributions will be variable based on a sliding scale dependant on salary levels.

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.

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

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	6.50	61,000	7.00	31,000
Government bonds	2.50	8,000	3.40	6,000
Other bonds	3.60	11,000	4.40	7,000
Property	6.10	9,000	5.70	6,000
Cash/liquidity	0.50	5,000	0.50	3,000
Other	6.50	10,000	7.00	17,000
Total market value of assets		<u>104,000</u>		<u>70,000</u>
Present value of scheme liabilities		<u>(143,000)</u>		<u>(82,000)</u>
(Deficit)/surplus in the scheme		<u><u>(39,000)</u></u>		<u><u>(12,000)</u></u>

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(143,000)	(82,000)
Fair value of scheme assets	<u>104,000</u>	<u>70,000</u>
Net liability	<u><u>(39,000)</u></u>	<u><u>(12,000)</u></u>

The amounts recognised in the Statement of financial activities are as follows:

	2015 £	2014 £
Interest Cost	5,000	4,000
Expected return on scheme assets	(5,000)	(3,000)
Current service cost net of employer contributions	<u>16,000</u>	<u>13,000</u>
Total	<u><u>16,000</u></u>	<u><u>14,000</u></u>
Actual return on scheme assets	<u><u>4,000</u></u>	<u><u>5,000</u></u>

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23. PENSION COMMITMENTS (continued)

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

	2015 £	2014 £
Opening defined benefit obligation	82,000	50,000
Contributions by scheme participants	11,000	10,000
Actuarial Losses/(gains)	10,000	(11,000)
Current service cost	35,000	29,000
Interest cost	5,000	4,000
	<u>143,000</u>	<u>82,000</u>

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

	2015 £	2014 £
Opening fair value of scheme assets	70,000	38,000
Actuarial gain	(1,000)	3,000
Contributions by employer	19,000	16,000
Contributions by employees	11,000	10,000
Expected return on assets	5,000	3,000
	<u>104,000</u>	<u>70,000</u>

The cumulative amount of actuarial gains recognised in the Statement of Total Recognised Gains and Losses was £3,000 (2014 - £14,000).

The Trust expects to contribute £19,000 to its Defined benefit pension scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	60.00 %	45.00 %
Government bonds	7.00 %	7.90 %
Other bonds	10.00 %	10.30 %
Property	9.00 %	8.70 %
Cash/liquidity	5.00 %	4.40 %
Other	9.00 %	23.70 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	4.00 %	4.40 %
Expected return on scheme assets at 31 August	5.90 %	5.88 %
Rate of increase in salaries	4.15 %	3.95 %
Rate of increase for pensions in payment / inflation	2.40 %	2.30 %
Inflation assumption (CPI)	2.40 %	2.30 %

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23. PENSION COMMITMENTS (continued)

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

	2015	2014
Retiring today	23.0	22.9
Males	25.6	25.5
Females		
Retiring in 20 years	25.2	25.1
Males	28.0	27.8
Females		

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £
Defined benefit obligation	(143,000)	(82,000)	(50,000)
Scheme assets	104,000	70,000	38,000
Deficit	(39,000)	(12,000)	(12,000)
Experience adjustments on scheme liabilities	(10,000)	11,000	(2,000)
Experience adjustments on scheme assets	(1,000)	3,000	2,000
	(50,000)	(18,000)	(12,000)

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.

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24. OPERATING LEASE COMMITMENTS

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

	Land and buildings		Other	
	2015	2014	2015	2014
	£	£	£	£
Expiry date:				
Between 2 and 5 years	-	-	4,667	-

25. MEMBERS' LIABILITY

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

26. RELATED PARTY TRANSACTIONS

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

The following related party transactions took place in the period of account:

EBN Education Partnership and EBN Trust are under common control. During the year sales of £57,144 were made to EBN Education Partnership. The full amount was outstanding at the balance sheet date and is included in trade debtors.

