

**BRITANNIA EDUCATION TRUST
(A Company Limited by Guarantee)**

TRUSTEES REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2017

BRITANNIA EDUCATION TRUST

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BRITANNIA EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE PERIOD ENDED 31 AUGUST 2017

Members	G Hicks (appointed 24 March 2017) H Thomas (appointed 24 March 2017) A Mawson (appointed 24 March 2017) C Wilson (appointed 24 March 2017) D Mann (appointed 24 March 2017)
Trustees	T Matthews (appointed 24 March 2017) W Tennent (appointed 24 March 2017) C Wilson, Vice Chair (appointed 24 March 2017) L Dawes (appointed 24 March 2017) E Anderson (appointed 24 March 2017) E Benjamin (appointed 24 March 2017) K Richardson (appointed 24 March 2017) D Mann, Chair of Trustees (appointed 24 March 2017) L Bingham (appointed 24 March 2017)
Company registered number	10689559
Company name	Britannia Education Trust
Principal and registered office	Britannia Village Primary School Westwood Road West Silverton London E16 2AW
Company Secretary	R Thackery
Accounting Officer	L Bingham
Senior Management Team	L Bingham, Headteacher K Richardson, Deputy Headteacher H Wylie, Assistant Headteacher O Moorhouse, Assistant Headteacher C Richardson, SENCo R Thackery, School Business Manager
Independent auditors	Price Bailey LLP Chartered Accountants Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

BRITANNIA EDUCATION TRUST

TRUSTEES' REPORT FOR THE PERIOD ENDED 31 AUGUST 2017

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Britannia Education Trust (the Charitable Company, the Trust or the Academy) for the period from 1 June 2017 to 31 August 2017. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates an academy school for pupils aged 3 to 11 years serving a catchment area in West Silvertown, Newham. It has a pupil capacity of 420 plus a 60 place part time nursery and had a total roll of 468 in the January 2017 school census.

Structure, Governance and Management

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable. The Charitable Company is known as Britannia Education Trust (the School).

Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

Members' Liability

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

Trustees and Officers' Indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The Britannia Education Trust is covered through the Department for Education's Risk Protection Arrangements (RPA). The insurance provides £10,000,000 cover on any one claim and details of the costs are included in notes to the accounts.

Method of Recruitment and Appointment or Election of Trustees

The arrangements are as set out in the Articles and Funding Agreement.

Trustees are appointed for a fixed term of four years by the Members. The CEO/Headteacher is an ex officio member of the Board of Trustees. Parent Trustees and the Staff Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for up to 9 Trustees (including a minimum of 2 Parents and the CEO). Employees of the Trust must not exceed one third of the total number of Trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Charitable Company is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Trust provides an internal programme of continued professional development led by School staff and links with a number of local training providers. Trustees complete an annual skills audit, which alongside identifying strengths, also identifies areas they would like to develop. This is then used to inform targeted training in specific areas. In addition the Trust purchases a Service Level Agreement (SLA) from the local school's service Governors Support Section, which offers a comprehensive package of training and support.

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TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2017

All new Trustees are entitled to an induction to the role, according to their need, which may include, introductory sessions, mentoring and formal courses. This process will involve a meeting with the Chairman of Trustees and Headteacher or Deputy Headteacher. All Trustees are provided with a handbook plus copies of policies and procedures documents that are appropriate to the role they undertake as Trustees with particular emphasis on the committee work that they will undertake.

Organisational Structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education. The Scheme of Delegation sets out the level at which decisions are made.

The Board of Trustees, which meets on at least 3 occasions per year and each individual committee at least 3 times per year, is responsible for the strategic direction of the Trust. The Board reviews progress towards educational objectives and results; approves major expenditure requests; sets the budget for the following year; sets the organisational staffing structure; agrees the performance objectives of the Headteacher with the School Improvement Partner, and reviews them.

The CEO/Headteacher is the designated Accounting Officer and has overall responsibility for the day to day financial management of the Charitable Company. The Headteacher has delegated responsibility for low values of expenditure to specific budget holders who are responsible for managing their own departments within their allocated budgets. A system of financial controls is in place to manage this process.

The Headteacher manages the Trust on a daily basis supported by a Senior Leadership Team (SLT) which includes the Deputy, two Assistant Heads and the School Business Manager. The SLT meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Headteacher and the Board of Trustees as required for approval. Each member of the SLT has specific responsibilities to assist the Headteacher to manage certain aspects of the Trust.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include the Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

The Trust applies the School Teachers Pay and Conditions Document (STPCD) published annually by the DfE. The Trust has adopted the Local Authority pay policy which follows the STPCD regarding pay scales and ranges. This policy applies to all staff including key management personnel.

The Trust has adopted the Local Authority performance management policy. All staff, including the SLT, have clear performance management targets closely linked to the Trust's development plan. If all targets are met and clear evidence provided, the staff member receives an incremental point in line with the policy, authorised by the Headteacher. For experienced teachers to gain access to the upper threshold, in addition, a professional portfolio must be presented to the Headteacher for assessment. The Trustees receive anonymised reports detailing performance grades, meeting of targets and upper threshold payments.

For the Headteacher's appraisal, the Chair of the Trustees and up to 2 other Trustees meet with the School Improvement Partner to review the Headteacher's evidence against the agreed targets. If targets have been met the Chair of Trustees will authorise the increment. The procedure is minuted at Finance, Audit and HR Committee meetings.

The only Directors receiving remuneration from the Trust are the CEO/Headteacher and the Deputy Headteacher.

BRITANNIA EDUCATION TRUST

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2017

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which members of the Board may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust cooperated with the following organisations during the academic year in pursuit of its charitable activities:

- SEND and Behaviour Support services are purchased from the Local Authority
- HR and Health and Safety services are purchased from Newham Partnership Working
- The Headteacher is a member of the Newham Association of Headteachers
- The Creative Arts Partnership is a cluster of 5 schools. The Headteachers meet regularly to plan joint school projects and discuss school improvement issues.
- The School works with and supports the work of West Silvertown Foundation (WSF) to provide services and events to benefit the School's families. Transactions with WSF are considered as related party transactions as a Trustee is a member of the committee.
- The School has a fundraising friends group, the PTFA, which is considered a connected party.
- The School fundraises on behalf of several charities including the British Legion Poppy Appeal, Water Aid, Save The Children Fund, BBC Children in Need Appeal, Shelter and others.

The Trust does not have a formal sponsor.

Objectives and Activities

Objects and Aims

The principal object and aim of the Charitable Company is the operation of the School to provide free education and care for pupils of different abilities between the ages of 3 and 11.

The Trustees and Members of Britannia Education Trust have defined the main objectives of the trust as follows:

- Our vision is to bring out the best in our pupils, our staff and our communities.
- We aim to give our pupils the best start in life through providing a creative and happy learning environment where achievement, mutual respect and self-esteem are valued.
- We aim to empower our pupils to have the necessary knowledge, skills, values, attitudes and understanding to make a positive contribution in a changing world both locally and globally.
- We will:-
 - Create safe, supportive, caring environments where children can flourish.
 - Provide a broad, balanced, child-centred creative curriculum which is both accessible and appropriate to all our pupils.
 - Demonstrate, expect and celebrate excellence in Achievement, Behaviour and Character.
 - Develop and nurture an outstanding staff team.
 - Be rigorous in the pursuit of inclusion and equity.
 - Forge strong partnerships with parents and families.
 - Work cooperatively within the trust and with other schools, organisations and stakeholders.
 - Equip children to become responsible global citizens, caring for the natural world and making wise, informed choices.
 - Involve the school in the community and the community in the school.

BRITANNIA EDUCATION TRUST

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2017

- New objectives for the year 2016/17:
 - Increase middle leadership capacity
 - Train a dedicated Safeguarding and Home – School Support Officer to take on Child Protection and Safeguarding duties previously carried out by senior leaders.
 - Raise standards further by increasing opportunities for one to one and small group teacher intervention.
 - Introduce the 'Qualities for Life' (QFL) characteristics and values.
 - Increase pupil voice through the role of elected school councillor for pupils in years 4, 5, 6.
 - Improve parental engagement.

During the year the School has worked towards these aims by:

- Trialling a temporary middle leader position of year group leader with responsibilities including organisation, communication, NQT/student support, equality of provision across the 3 classes, planning, assessment and intervention.
- Person appointed 4 days per week. Trained as designated safeguarding lead. Attended the school's weekly inclusion and attendance meetings.
- Organising weekly cover for teachers so that they can work with individual pupils and small groups for up to 2 hours per week.
- Promoting QFL at every opportunity and especially through assemblies and lessons. Rewarding pupils for exhibiting the qualities.
- Two pupils per class were elected and attended regular School Council meetings.
- Oral story sessions have been offered to Nursery, Reception and Year 1 parents as well as weekly parent and child teacher led handwriting sessions. The SENCo and key professionals from advisory agencies held half termly sessions for parents of pupils with high needs. A new website was designed and promoted to parents.
- Our success in fulfilling our aims can be measured by:
 - 7 members of staff given additional responsibility and trained to lead their year group team. The role provides a retention incentive.
 - All relevant meetings, referrals, paperwork and follow up carried out by the safeguarding officer freeing up senior leaders to focus on teaching and learning and the academisation process. Very positive impact on attendance - whole school attendance equalled or exceeded the attendance target of 96.0% every half-term apart from Autumn 2. The whole school attendance figure without nursery of 96.4% (as at 20.7.2017) exceeds the national average for primary schools of 96.1% and is much improved from the year before (95.5%). There was also a very positive impact on parental engagement.
 - The standards achieved – detailed in Achievement and Performance below.
 - Teachers referring to and contextualising QFL in lessons. Pupils incorporating QFL into their vocabulary, behaviour and learning styles.
 - Regular School Council presentations in assemblies. Pupils are aware of school council successes when asked.
 - Parent oral story and hand writing sessions have been well attended this term (at least 60% of parents have attended at least 1 session). As a result of this parents are now better able to support their children at home and children's enthusiasm for stories as well as their vocabulary and handwriting has improved. The website has had over 9000 visitors and is an important source of updates for parents and families.

Public Benefit

The Trustees believe that by working towards the objects and aims of the School as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

BRITANNIA EDUCATION TRUST

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2017

Strategic Report

Achievements and Performance

The school was outstanding in its OFSTED inspection before conversion. It has not been inspected since.

Specific achievements were as follows:

- Small classes of 20 pupils per teacher were maintained in every year group.
- Additional staff were successfully recruited for the year 2016 - 2017.
- Work with the EFSA and the DFE towards the establishment of Royal Wharf Primary School (the Trust's second school) progressed well.
- Year 6 pupils experienced a successful residential in France, visiting war memorials and museums, and meeting their Skype pals at Brunschvicg Rousseau Primary School in Lille where they put on a joint performance for parents.
- Year 4 pupils performed in 'A Better World' singing event at the Hackney Empire along with pupils from the 4 other Newham schools in our Creative Arts Partnership.
- Work commenced on a revised integrated curriculum for 2017 – 2018 with middle leaders forming part of a focus group for this purpose.
- Excellent KS2 SATs results were achieved:

KS2 SATs 2017	Percentage meeting the standard			
	BVPS 2017 EXS+	BVPS 2017 GDS	England 2017 EXS+	England 2017 GDS
Reading	89 Top 13% PP 91	27 PP 25	71	25
Writing	91 Top 9% PP 97	36 PP 34	76	18
Grammar and Spelling	96 Top 6%	50	77	-
Maths	95 Top 8% PP 97	48 PP 50	75	23
Met standard in R, W (TA) & M	84 PP 88	16 PP 16	61	9

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TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2017

Average standardised score

	BVPS 2017	NA 2017
Reading	106.7 Top 23%	104.1
Writing	105.8 Top 4%	101.1
Grammar and Spelling	110.3 Top 7%	106
Maths	109.4 Top 4%	104.2
Met standard in R, W (TA) & M	108.9	-

Progress Score Exp+

	BVPS 2017	Eng 2017
Reading	+3.3 Top 11%	0
Writing	+4.6 Top 3%	0
Grammar and Spelling	+5.3 Top 4%	0
Maths	+6.2 Top 2%	0
Met standard in R, W (TA) & M	+5.3	0

EXS - Expected Standard

GDS - Greater Depth (above expected)

PP - Percentage achieved for pupils in receipt of Pupil Premium funding

R, W & M - Combined result in reading, writing and maths.

Key Performance Indicators

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for Summer 2017 were 468 against a capacity of 480.

Another key financial performance indicator is staffing costs as a percentage of total income. For June, July & Aug 2016/17 this was 67%. The Board of Trustees is confident that staffing levels are closely monitored to agreed Full Time Equivalent and staffing structures all approved by the Board.

The Finance and Premises Committee also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the Board.

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TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2017

Going Concern

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

Financial Review

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2017 the Trust received £759,991 of GAG and other funding, with £4,770,857 transferred on conversion. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £802,752 on general running costs and transferred £152,104 to support capital new build and improvement projects on the School site. The carry forward for 16/17 is £42,165 restricted funding and £1,086,942 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £767,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Business Manager. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

A Reserves Policy will be recommended for approval by the Board of Trustees on 29 November 2017.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £NIL. This has been built up from a mixture of locally raised income and balances transferred from the predecessor school.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2017 was £1,129,107.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £238,068.

A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The CFO and Trustees monitor cash flow.

Investment Policy

An Investment Policy will be recommended for approval by the Board of Trustees on 29 November 2017.

Britannia Education Trust held no investments or long term deposits during the reporting period.

Principal Risks and Uncertainties

The Trustees maintain a risk register identifying the major risks to which the Trust is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each Finance Committee meeting. The principal risks facing the Trust are outlined below; those facing the Trust at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an academy school, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

BRITANNIA EDUCATION TRUST

TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2017

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- the Trust has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed;
- safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- staffing - the success of the Trust is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - The Trust has appointed Price Bailey to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

Plans for Future Periods

The Trustees aim to:

- In conjunction with Initial Teacher Training Partnerships, build on existing practices to recruit, develop and train staff to ensure a supply of good staff for future years.
- Consider strategies to ensure the School achieves full pupil capacity in each year group.
- Continue to work towards a September 2019 opening for the Trust's new school - Royal Wharf Primary School.

Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's Auditor is unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Trustees' Report, incorporating a Strategic Report, was approved by the Board of Trustees on 29 November 2017 and signed on the Board's behalf by:

D Mann
Chair of Trustees

BRITANNIA EDUCATION TRUST

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Britannia Education Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met one time during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
T Matthews	1	1
W Tennent	1	1
C Wilson, Vice Chair	1	1
L Dawes	1	1
E Anderson	1	1
E Benjamin	1	1
K Richardson	1	1
D Mann, Chair of Trustees	1	1
L Bingham	1	1

There have been no key changes to the composition of the Board of Trustees, the coverage of its work and its performance.

The key challenge during the period was that there had been no access to the School's carry forward pre conversion and the amount had not yet been received until early November.

The Finance Risk & Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
D Mann	1	1
L Dawes	1	1
T Matthews	1	1
E Benjamin	1	1
L Bingham	1	1

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher 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 Trustees 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:

- Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Trust.
- Accountability, the Trust is publicly accountable for its expenditure and the conduct of its affairs.
- Fairness, that all those dealt with by the Trust are dealt with on a fair and equitable basis.

BRITANNIA EDUCATION TRUST

GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 Britannia Education Trust for the period 1 June 2017 to 31 August 2017 and up to the date of approval of the Annual Report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the period 1 June 2017 to 31 August 2017 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees have decided not to appoint a Responsible Officer and the duties of this post are undertaken by the Finance Risk & Audit Committee. This will include:

- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained; and
- financial considerations have been taken into account in reaching decisions

The Finance Risk & Audit Committee'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:

- segregation of duties;
- best value principles and correct spend/authorisation limits have been applied;
- banking processes have been completed in a timely manner; and
- orders, deliveries and invoices have been processed in line with Policy

On a termly basis, the Finance Risk & Audit Committee reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

BRITANNIA EDUCATION TRUST

GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- The work of the external Auditors;
- The financial management and governance self-assessment process;
- The work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Risk & Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by of the Board of Trustees on 29 November 2017 and signed on their behalf, by:

D Mann
Chair of Trustees

L Bingham
Accounting Officer

BRITANNIA EDUCATION TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Britannia Education Trust I have considered my responsibility to notify the Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the 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 2016.

I confirm that I and the Board of Trustees 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 2016.

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

L Bingham
Accounting Officer

Date: 29 November 2017

BRITANNIA EDUCATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE PERIOD ENDED 31 AUGUST 2017

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

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by the Board of Trustees on 29 November 2017 and signed on its behalf by:

D Mann
Chair of Trustees

BRITANNIA EDUCATION TRUST

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BRITANNIA EDUCATION TRUST

OPINION

We have audited the financial statements of (Britannia Education Trust) for the period ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- Give a true and fair view of the state of the Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources for the period then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our Report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

BRITANNIA EDUCATION TRUST

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BRITANNIA EDUCATION TRUST

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Trustees' Report, incorporating the Strategic Report and the Director's Report for which the financial statements have been prepared is consistent with the financial statements; and
- The Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Director's Report.

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Gary Miller (Senior Statutory Auditor)
for and on behalf of
Price Bailey LLP
Chartered Accountants and Statutory Auditors
Causeway House, 1 Dane Street
Bishop's Stortford, Hertfordshire, CM23 3BT

21 December 2017

BRITANNIA EDUCATION TRUST

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BRITANNIA EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 31 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Britannia Education Trust during the period 1 June 2017 to 31 August 2017 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 Britannia Education Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Britannia Education Trust and the ESFA those matters we are required to state in a Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Britannia Education Trust and the ESFA, for our work, for this Report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF BRITANNIA EDUCATION TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Britannia Education Trust's funding agreement with the Secretary of State for Education dated 26 May 2017, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 June 2017 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

BRITANNIA EDUCATION TRUST

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BRITANNIA EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 June 2017 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Price Bailey LLP

Chartered Accountants and

21 December 2017

BRITANNIA EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 AUGUST 2017

	Note	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £
INCOME FROM:					
Donations & capital grants:					
Transferred on conversion	2	(718,000)	4,250,023	1,238,834	4,770,857
Other donations and capital grants	2	-	-	74	74
Charitable activities	3	759,779	-	-	759,779
Other trading activities	4	-	-	138	138
TOTAL INCOME		<u>41,779</u>	<u>4,250,023</u>	<u>1,239,046</u>	<u>5,530,848</u>
EXPENDITURE ON:					
Charitable activities		<u>734,614</u>	<u>68,138</u>	<u>-</u>	<u>802,752</u>
TOTAL EXPENDITURE		<u>734,614</u>	<u>68,138</u>	<u>-</u>	<u>802,752</u>
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		<u>(692,835)</u>	<u>4,181,885</u>	<u>1,239,046</u>	<u>4,728,096</u>
Transfers between funds	14	-	152,104	(152,104)	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		<u>(692,835)</u>	<u>4,333,989</u>	<u>1,086,942</u>	<u>4,728,096</u>
Actuarial losses on defined benefit pension schemes	19	(32,000)	-	-	(32,000)
NET MOVEMENT IN FUNDS		<u>(724,835)</u>	<u>4,333,989</u>	<u>1,086,942</u>	<u>4,696,096</u>
RECONCILIATION OF FUNDS:					
Total funds brought forward		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS CARRIED FORWARD		<u>(724,835)</u>	<u>4,333,989</u>	<u>1,086,942</u>	<u>4,696,096</u>

All of the Trust's activities derive from acquisitions in the current financial period.

BRITANNIA EDUCATION TRUST
REGISTERED NUMBER: 10689559

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £
FIXED ASSETS			
Tangible assets	11		4,333,989
CURRENT ASSETS			
Debtors	12	1,206,841	
Cash at bank and in hand		238,068	
		<u>1,444,909</u>	
CREDITORS: amounts falling due within one year	13	(315,802)	
NET CURRENT ASSETS			<u>1,129,107</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,463,096</u>
Defined benefit pension scheme liability	19		(767,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>4,696,096</u></u>
FUNDS OF THE ACADEMY			
Restricted income funds:			
Restricted income funds	14	42,165	
Restricted fixed asset funds	14	4,333,989	
		<u>4,376,154</u>	
Restricted income funds excluding pension liability			
Pension reserve		(767,000)	
		<u></u>	
Total restricted income funds			3,609,154
Unrestricted funds	14		<u>1,086,942</u>
TOTAL FUNDS			<u><u>4,696,096</u></u>

The financial statements on pages 19 to 36 were approved by the Trustees, and authorised for issue, on 29 November 2017 and are signed on their behalf, by:

D Mann
Chair of Trustees

BRITANNIA EDUCATION TRUST

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 AUGUST 2017

	Note	2017 £
Cash flows from operating activities		
Net cash used in operating activities	16	(848,662)
Cash inherited from local authority on conversion		1,238,834
Net cash provided by investing activities		1,238,834
Cash flows from financing activities:		
Payments to acquire tangible fixed assets		(152,104)
Net cash used in financing activities		(152,104)
Change in cash and cash equivalents in the period		238,068
Cash and cash equivalents brought forward		-
Cash and cash equivalents carried forward	17	238,068

BRITANNIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Britannia Education Trust constitutes a public benefit entity as defined by FRS 102.

The Trust's functional and presnetational currency is Pounds Sterling.

1.2 Company status

The Trust is a company limited by guarantee. The Members are noted 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. The Trust's registered office is Britannia Village Primary School, Westwood Road, West Silvertown, London, E16 2AW.

1.3 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

1.4 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 incorporating Income and Expenditure Account 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 incorporating Income and Expenditure Account 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.

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities incorporating Income and Expenditure Account in the period in which it is receivable, where receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable 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.

BRITANNIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.5 Expenditure

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

Expenditure on charitable activities are costs incurred on the Trust's educational operations, including support costs and those costs relating to the governance of the Trust apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 incorporating Income and Expenditure Account 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 incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	125 years straight line
Fixtures and fittings	-	5 years straight line
Computer equipment	-	3 years straight line

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 incorporating Income and Expenditure Account.

1.7 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.

1.8 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.

1.9 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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 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.

BRITANNIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.10 Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 13. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.11 Taxation

The 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 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.

1.12 Pensions

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 19, 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 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 incorporating Income and Expenditure Account 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.

BRITANNIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.13 Conversion to an academy trust

The conversion from a state maintained school to an Academy involved the transfer of identifiable assets and liabilities and the operation of the School for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Britannia Village Primary School to an Academy have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in donations - transfer from local authority on conversion in the Statement of Financial Activities incorporating Income and Expenditure Account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 18.

1.14 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 Trustee.

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.

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Trustee's make 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 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the Actuary in valuing the pensions liability at 31 August 2017. 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.

BRITANNIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £
Transferred on conversion	(718,000)	4,250,023	1,238,834	4,770,857
Donations	-	-	74	74
	(718,000)	4,250,023	1,238,908	4,770,931

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £
DfE/ESFA grants			
General Annual Grant (GAG)	645,859	-	645,859
Other DfE/ESFA grants	67,739	-	67,739
	713,598	-	713,598
Other government grants			
Local Authority grants	46,181	-	46,181
	46,181	-	46,181
	759,779	-	759,779

4. OTHER TRADING ACTIVITIES

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £
Other income	-	138	138

BRITANNIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017

5. EXPENDITURE

	Staff costs £	Premises £	Other costs £	Total £
Education:				
Direct costs	450,319	-	51,549	501,868
Support costs	60,234	104,856	135,794	300,884
Total	510,553	104,856	187,343	802,752

Charitable Activities

Analysis of support costs	2017 £
Support staff costs	60,234
Depreciation	68,138
Technology costs	3,578
Premises costs (excluding depreciation)	36,718
Other support costs	120,066
Governance costs	12,150
Total	300,884

6. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £
Depreciation of tangible fixed assets:	
- owned by the charity	68,138
Auditors' remuneration - audit	7,000
Auditors' remuneration - other services	4,600
Operating lease rentals	1,136

BRITANNIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017

7. STAFF COSTS

Staff costs were as follows:

	2017 £
Wages and salaries	401,127
Social security costs	38,744
Operating costs of defined benefit pension schemes	70,682
	510,553

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

	2017 No.
Teachers	26
Administration and support	26
Management	6
	58

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

	2017 No.
In the band £ 60,001 - £ 70,000	1
In the band £100,001 - £110,000	1

The key management personnel of the Trust comprise the Trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance) received by the Senior Leadership Team for their services to the Academy was £111,675.

Included in the above are employer pension contributions of £14,716 and employer national insurance contributions of £10,274.

BRITANNIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017

8. TRUSTEES' REMUNERATION AND EXPENSES

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

		2017 £
L May-Bingham	Remuneration	25,000-30,000
	Pension contributions paid	0-5,000
K Richardson	Remuneration	15,000-20,000
	Pension contributions paid	0-5,000

During the period ended 31 August 2017, no Trustees received any reimbursement of expenses.

9. TRUSTEES' AND OFFICERS' INSURANCE

The Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK Government funds cover losses that arise. This scheme protects Trustee and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and Officers indemnity element from the overall cost of the RPA scheme.

10. OTHER FINANCE INCOME

	2017 £
Interest income on pension scheme assets	4,000
Interest on pension scheme liabilities	(8,000)
	<u>(4,000)</u>

11. TANGIBLE FIXED ASSETS

	L/Term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 June 2017	-	-	-	-
Additions	73,993	11,717	66,394	152,104
Assets on conversion	3,960,000	203,153	86,870	4,250,023
At 31 August 2017	<u>4,033,993</u>	<u>214,870</u>	<u>153,264</u>	<u>4,402,127</u>
Depreciation				
At 1 June 2017	-	-	-	-
Charge for the period	30,123	19,767	18,248	68,138
At 31 August 2017	<u>30,123</u>	<u>19,767</u>	<u>18,248</u>	<u>68,138</u>
Net book value				
At 31 August 2017	<u>4,003,870</u>	<u>195,103</u>	<u>135,016</u>	<u>4,333,989</u>

BRITANNIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017

12. DEBTORS

	2017 £
VAT recoverable	57,363
Other debtors	1,086,566
Prepayments and accrued income	62,912
	<u>1,206,841</u>

13. CREDITORS: Amounts falling due within one year

	2017 £
Trade creditors	224,555
Other taxation and social security	40,667
Other creditors	28,521
Accruals and deferred income	22,059
	<u>315,802</u>

14. STATEMENT OF FUNDS

	Balance at 1 June 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General funds - all funds	-	1,239,046	-	(152,104)	-	1,086,942
Restricted funds						
General Annual Grant (GAG)	-	645,859	(603,694)	-	-	42,165
Other Dfe/ESFA grants	-	16,333	(16,333)	-	-	-
SEN	-	46,181	(46,181)	-	-	-
Pupil premium	-	51,406	(51,406)	-	-	-
Pension reserve	-	(718,000)	(17,000)	-	(32,000)	(767,000)
	-	41,779	(734,614)	-	(32,000)	(724,835)
Restricted fixed asset funds						
Restricted fixed asset fund	-	4,250,023	(68,138)	152,104	-	4,333,989
Total restricted funds	-	4,291,802	(802,752)	152,104	(32,000)	3,609,154
Total of funds	-	5,530,848	(802,752)	-	(32,000)	4,696,096

BRITANNIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017

14. STATEMENT OF FUNDS (continued)

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

General funds

This represents income received that does not have restrictions on how it is used.

Capital grants

This represents a grant from the DfE to cover eligible expenditure for project development incurred in establishing the Britannia Education Trust. Transfers from this fund relate to fixed assets purchased from capital funding.

Other DfE/ESFA grants

This represents funding to be used to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

General Annual Grant (GAG)

This represents funding from the ESFA to be used for the normal running costs of the Academy, including education and support costs.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Restricted fixed asset funds

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

Pension reserve

This reserve represents the Academy's share of the deficit on the Local Government Pension Scheme (LGPS).

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	4,333,989	-	4,333,989
Current assets	357,967	-	1,086,942	1,444,909
Creditors due within one year	(315,802)	-	-	(315,802)
Provisions for liabilities and charges	(767,000)	-	-	(767,000)
	<u>(724,835)</u>	<u>4,333,989</u>	<u>1,086,942</u>	<u>4,696,096</u>

BRITANNIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017

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

	2017 £
Net income for the year (as per Statement of Financial Activities)	4,728,096
Adjustment for:	
Depreciation charges	68,138
Increase in debtors	(1,206,841)
Increase in creditors	315,802
Fixed assets inherited from local authority on conversion	(4,250,023)
Defined benefit pension scheme obligation inherited	718,000
Pension liability movements	17,000
Cash inherited from local authority on conversion	(1,238,834)
Net cash used in operating activities	(848,662)

17. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £
Cash in hand	238,068
Total	238,068

18. CONVERSION TO AN ACADEMY TRUST

On 1 June 2017 Britannia Village Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Britannia Education Trust from Newham Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities incorporating Income and Expenditure Account as donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities incorporating Income and Expenditure Account.

	Restricted funds £	Restricted fixed asset funds £	Unrestricted funds £	Total funds £
Tangible fixed assets				
- Leasehold land and buildings	-	3,960,000	-	3,960,000
- Other tangible fixed assets	-	290,023	-	290,023
Other assets	-	-	1,238,834	1,238,834
LGPS pension surplus/(deficit)	(718,000)	-	-	(718,000)
Net assets/(liabilities)	(718,000)	4,250,023	1,238,834	4,770,857

The above net assets/(liabilities) include £1,238,834 that was transferred as cash.

BRITANNIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017

19. PENSION COMMITMENTS

The Academy 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 London Borough of Newham. Both are Multi-Employer Defined Benefit Pension Schemes.

As described in note 18 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £28,108 were payable to the schemes at 31 August 2017 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- 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 is currently underway based on April 2016 data, 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 £41,000

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 Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

BRITANNIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017

19. PENSION COMMITMENTS (continued)

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 period ended 31 August 2017 was £14,000., of which employer's contributions totalled £11,000. and employees' contributions totalled £3,000. The agreed contribution rates for future years are 23.5% for employers and 5.9% to 7.5% 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:

	2017
Discount rate for scheme liabilities	2.60 %
Rate of increase in salaries	4.20 %
Rate of increase for pensions in payment / inflation	2.70 %
Inflation assumption (CPI)	2.70 %
Inflation assumption (RPI)	3.60 %

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

	2017
Retiring today	
Males	22.6
Females	25.1
Retiring in 20 years	
Males	24.8
Females	27.4

	At 31 August 2017 £
Sensitivity analysis	
Discount rate +0.1%	1,276,000
Discount rate -0.1%	1,337,000
Mortality assumption - 1 year increase	1,348,000
Mortality assumption - 1 year decrease	1,266,000
CPI rate +0.1%	1,331,000
CPI rate -0.1%	1,282,000

BRITANNIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017

19. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £
Equities	313,000
Gilts	25,000
Corporate bonds	48,000
Property	35,000
Cash and other liquid assets	94,000
Alternative Assets	24,000
Total market value of assets	539,000

The actual return on scheme assets was £4,000.

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2017 £
Current service cost	(24,000)
Interest income	4,000
Interest cost	(8,000)
Total	(28,000)
Actual return on scheme assets	4,000

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

	2017 £
Upon conversion	1,239,000
Current service cost	24,000
Interest cost	8,000
Employee contributions	3,000
Actuarial losses	32,000
Closing defined benefit obligation	1,306,000

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

	2017 £
Upon conversion	521,000
Interest income	4,000
Employer contributions	11,000
Employee contributions	3,000
Closing fair value of scheme assets	539,000

BRITANNIA EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2017

20. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2017 £
Amounts payable:	
Within 1 year	1,136
Between 1 and 5 years	284
Total	<u>1,420</u>

21. 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.

22. 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 8.