

THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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

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**THE BLACK PEAR TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Trustees	A M Burkert ^{1,3} P A Clayton, Vice Chair of Trustees ^{1,2,3} P Clayton (resigned 11 July 2018) ² P J Collins (resigned 11 July 2018) ^{1,3} J Cook ^{1,2} V D Cranton, Headteacher ^{1,2,3} P Edwards A Maciaszek-Skubinska (resigned 11 July 2018) ^{1,2} J M Harkins (resigned 11 July 2018) ^{1,2} C Hunt (resigned 11 July 2018) ² T Reed (resigned 11 July 2018) ² P D Shoesmith, Chair of Trustees ^{1,3} T Griffiths (appointed 11 July 2018)
	1 Member 2 Teaching & Learning Committee 3 Finance and Resources Committee
Company registered number	08922754
Company name	The Black Pear Trust
Principal and registered office	Hollymount Road Worcester Worcestershire WR4 9SG
Accounting Officer	V D Cranton
Senior management team	V D Cranton, Principal A Donnelly, Deputy Headteacher of Hollymount School S E Wood, Headteacher of Carnforth School E Pritchard, Head of Hollymount School R Hussain, Assistant Headteacher of Hollymount School N Sheeran-Ball, Deputy Headteacher of Carnforth School P Prigg, Assistant Headteacher of Carnforth School L Weston, Inclusion Manager of Hollymount School
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB
Bankers	Lloyds Bank PLC 4 The Cross Worcester WR1 3PY
Solicitors	Kippax Beaumont Lewis 28 Mawdsley Street Bolton BL1 1LF

**THE BLACK PEAR TRUST
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 2 primary academies in Worcester. Its academies have a combined pupil capacity of 718 and had a roll of 628 in the school census on 31 July 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Trustees of The Black Pear Trust are also the directors of the charitable company for the purposes of company law.

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

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before they ceased to be a member.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	-
Full-time equivalent employee number	117

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	117
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

£

Total cost of facility time	1,088
Total pay bill	2,575,855
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Trust. The limit of this indemnity is Nil.

Method of Recruitment and Appointment or Election of Trustees

Our Trust Board is made up of a group of people who are Directors of the Multi Academy Trust, and also Trustees. For the remainder of this document we will refer to them as Trustees, though the term Director and Trustee can be used interchangeably in our context. Our Trustees are the accountable body for the Trust. They are responsible for:

- determining the mission, ethos and key strategic priorities for the Trust
- setting targets for pupil and student achievement prepared and proposed by each school
- agreeing the budgets prepared and proposed by each school
- agreeing a curriculum statement for the trust, and supplementary statements for each school, should they be required
- appointing all staff on the leadership scale and Chief Financial Officer
- reviewing the performance and pay of the Trust Principal and Head Teachers in conjunction with the chairs of the local governing bodies.

The Board is made up of the Trustees and includes the Trust Principal. The Board meets four times each academic year and otherwise as required. Any additional meetings require at least 7 days' notice. The quorum is half of the Board rounded down and meetings are minuted by the Clerk. The Trustees elect a Chair and Vice Chair annually at their first meeting in the school year. The Chair is responsible for drawing up the agenda with the Principal and sending it out to Board members with all associated papers at least 7 days in advance. Should the Chair or Vice Chair not be present at the meeting, a temporary Chair should be elected for the meeting.

The Board will identify individual Trustees with a specific remit and oversight for safeguarding and for the progress of disadvantaged pupils across the Trust.

The term of office for any Trustee shall be four years, save that this time limit shall not apply to the Principal, or to any post which is held ex officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed by the other Trustees at an Annual General Meeting.

Appointments and Remuneration Committee

Our executive Appointments and Remuneration Committee is responsible for:

- Overseeing the remuneration of Executive staff including making recommendations to the Board as a result of performance review.
- Managing and approving the appointment of any vacancies arising within the Executive Management Team.

The members of the Committee will be appointed by the Board and will consist of five Trustees. These will be the Chair of the Board, the Vice Chair of the Board, the Chair of the Finance and Resources Committee and two other appointed Trustees. The Chair of the Committee shall be appointed by the Board and will be a Trust Board member. A quorum shall be three members. Members will be appointed on an annual basis. The Trust's Principal will normally be in attendance, except when the discussions relate to their own salary and conditions. The Committee will meet twice a year but additional meetings may be called as required. The Committee retains the right to co-opt additional members to the panel where specialist knowledge is required to make appointments or assess remuneration. This could be an additional Trustee or an external consultant.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Policies and Procedures Adopted for the Induction and Training of Trustees

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

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. Advantage is taken of specific courses offered by Govern Ed, the Local Authority and other bodies.

Our Governance Structure

Our governance structure is made up of the Members who founded the Trust, and the Board of Trustees who are the accountable body for the Trust.

The Board of Trustees has three sub committees:

- Finance & Resources Committee • Financial Audit Committee • Remuneration and Appointments Committee

Each of our schools has its own Local Governing Body, and we operate a clearly defined scheme of delegation between the Board of Trustees and Local Governing Bodies.

Finance & Resources Committee

Our Finance and Resources Committee is drawn from members of the Board of Trustees and representatives from each Local Governing Body. The committee shall have such co-opted non voting members as the Board of Trustees shall appoint. The committee may make recommendations for these appointments. The Principal, Head Teachers and Chief Financial Officer are expected to attend.

They are responsible for:

- Considering the Trusts' indicative funding, notified annually by the DfE, and assessing implications for each of the schools.
- Drawing any matters of significance or concern to the attention of the Board of Trustees.
- Considering and recommending acceptance/non-acceptance of the Trust budget, and that of individual schools at the start of each financial year.
- Receiving and make recommendations on the broad budget headings and areas for expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the development plan.
- Monitoring and reviewing expenditure on a regular basis and ensure compliance with the overall financial plan for the schools, and with the financial regulations of the DfE, drawing any matters of concern to the attention of the Board of Trustees.
- Monitoring and reviewing procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement.
- Overseeing all matters relating to Health and Safety ensuring that the appropriate policies and practice are in place to meet statutory responsibilities.
- Overseeing all matters relating to staffing and personnel ensuring that the appropriate policies and practices are in place to meet statutory responsibilities.
- Oversee the development and management of the business information systems, the IT infrastructure and the physical assets of the Trust in accordance with the authorities and responsibilities set out in the financial regulations.
- Monitor significant value (both internally resourced and/or capital resources) projects with serious financial implications.

The Board of Trustees appoint a Chair annually and the committee appoints a Vice Chair.

The committee meets three times each academic year and otherwise as required. Any additional meetings require at least 7 days' notice.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

The Chair will be responsible for drawing up the agenda and getting it sent out to committee members at least 7 days in advance. Should the Chair or Vice Chair not be present at the meeting, a temporary Chair should be elected for the meeting. The quorum is half of the committee rounded down. The minutes will be taken by the Clerk to the Academy Trust.

Financial Audit Committee

Our Financial Audit Committee is responsible for:

- assisting the Board of Trustees in fulfilling its oversight of financial responsibilities.
- making appropriate comments and recommendations on such matters, to the Board of Trustees on a regular basis.
- referring major issues to the Board of Trustees for ratification.

The Committee is appointed by the Board of Trustees and shall consist of not less than three members. The Finance and Resources Committee will delegate the appointment of the Chair to the Audit Committee. At least one member of the Audit Committee should have significant, recent and relevant financial experience. The Chair of the Board of Trustees and the Chair of the Finance and Resources Committee shall not be members of the Audit Committee, nor can employees be a member of the committee. The Audit Committee may recommend to the Board the appointment of one person as a member of the Committee who is not a Trustee of the Trust (i.e. does not have the right to attend or vote at meetings of the Board of Trustees). Such person shall not be eligible to chair the Audit Committee. A quorum shall be 2 voting members.

The Chair of the Board of Trustees, Chair of the Finance and Resources Committee, Chief Financial Officer, representatives of the external auditors, or other persons e.g. Trustees or Chief Financial Officer, as appropriate, may attend meetings at the invitation of the Committee.

There should be at least one meeting a year, or part thereof, where the Audit Committee meets the auditors without the Chair of the Finance Committee and executives present. Meetings shall be held not less than twice a year (to coincide with key dates in the Academy's financial reporting cycle).

External auditors may request a meeting if they consider that one is necessary. Any additional meetings will be called as necessary; at least 7 days' notice must be given when calling a committee meeting. Where decisions within the remit of the committee are required between formal meetings, they will be agreed by email between members.

The Chair of the Audit Committee, the Principal and the Chief Financial Officer will be responsible for drawing up the agenda and organising for it to be sent out to the Committee members at least 7 days in advance. The Trust Clerk will take the minutes. The minutes will be sent to the members of the Finance and Resources Committee.

Appointments and Remuneration Committee

Our executive Appointments and Remuneration Committee is responsible for:

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- Managing and approving the appointment of any vacancies arising within the Executive Management Team.

The members of the Committee will be appointed by the Board and will consist of five Trustees. These will be the Chair of the Board, the Vice Chair of the Board, the Chair of the Finance and Resources Committee and two other appointed Trustees. The Chair of the Committee shall be appointed by the Board and will be a Trust Board member. A quorum shall be three members. Members will be appointed on an annual basis. The Trust's Principal will normally be in attendance, except when the discussions relate to their own salary and conditions. The Committee will meet twice a year but additional meetings may be called as required. The Committee retains the right to co-opt additional members to the panel where specialist knowledge is required to make appointments or assess remuneration. This could be an additional Trustee or an external consultant.

The Principal is the Accounting Officer.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees and the Senior Leadership Team (SLT) comprise the key management personnel of the Trust in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

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

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

Connected Organisations, including Related Party Relationships

Paul Shoesmith is a Trustee of the Black Pear Trust and a Director of not for profit social enterprise Independent Education and Technology Associates Limited (IET Associates). The company is limited by guarantee and there are therefore no shareholders. The expenditure during the financial year from 1st September 2017 to 31st August 2018 was for a Leading Leaders Network event attended by 3 members of the leadership team across 2 days. This represented 3 person days of CPD and included overnight accommodation, meals and facilitated visits and learning walks in other educational establishments.

IET Associates has been running these events on a breakeven basis, with charges covering the costs of accommodation and meals for delegates, one director of IET Associates (Paul Shoesmith), one sub-contractor who runs the event and the daily consultancy fee of the sub-contractor for 4 days. Paul Shoesmith received no salary or dividend from IET Associates during 2017-18. On the basis of this calculation the event made a loss.

The Trust has strong collaborative links with three other Worcestershire primary schools, Worcester University and University College of Birmingham which form part of the Black Pear Trust Teaching Alliance.

The Trust Alliance also runs a research study group with Worcester University and a number of local primary schools looking into up to date pedagogical research and research into effective leadership.

The Trust, mainly through Hollymount School, has formed a partnership with University of Warwick to study how to widen participation of disadvantaged children into Russell Group Universities.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

OBJECTIVES AND ACTIVITIES

Our Vision

The Trust has agreed a vision which can best be summarised by our motto:

Growing learning communities together

We want the best of futures for our pupils, we want them to find out about, be inspired by and enjoy the world they live in. We want them to have the confidence to recognise and grasp opportunities that they are given.

Our Aims

Our vision is supported through our aims, which are:

- To strive to do our very best every day
- To encourage and help each other to stay safe and keep healthy
- To help each other succeed and build our futures
- To enjoy and celebrate our own and others achievements
- To make a positive contribution to our own learning and community

Our Core Values

As a Trust we have 4 core values:

- **Proud to be me**
- **Enjoy learning**
- **Achieve Success**
- **Respect for the world**

These are embedded throughout the curriculum and form the foundation of the education of our pupils. Through these values, our aim is to develop well-rounded individuals who will have the skills and aptitude to become successful members of British society and the world-wide community.

They can be seen in the daily life of our schools:

- Celebration of success in assemblies
- Work showcased around the school
- Learning which stimulates children's interests and is clearly enjoyable
- Short term targets are set which mean children understand the steps they need to make to progress in their learning
- A curriculum which draws on the richness of society and encourages respect for all and for the environment

Core Offer

In line with our aims and values one of the main goals of the Black Pear Trust is to ensure that schools are well led. To this end schools will have core support in respect of administration and management so that leaders can focus on teaching and learning.

Leaders will be effectively supported in the running of their schools, enabling them to focus on ensuring that their school improves and that staff are supported and developed to provide the very best opportunities for the children in each school.

We will work together as a team to provide an excellent curriculum, share professional expertise and help with finance to allow leaders to maximise the potential of every individual child and adult.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Objectives, Strategies and Activities

Key priorities for the year are contained in The School Development Plans which are available from the Trust Office or from the individual schools' offices. Improvement focuses identified for this year included reading. The schools worked together closely and teamed up collaboratively with two other schools. The schools did standardisation and joint moderations together which gave them chance to have professional discussions on what age expected standards looked like. Both Trust schools had already worked on phonics and the focus was improving comprehension through working on a range of different knowledge and skills – children worked towards gaining a clear understanding of text structures, a broad vocabulary, excellent inference skills, and strong reading stamina.

The schools continue to do action research to further develop teaching and learning and the curriculum. The continuation of work on matched feedback supports effective learning. Mastery was a focus throughout the year where the importance of breadth and depth was exemplified within lessons.

As always visitors and visits supported and enhanced the curriculum as this is so important in developing the experiences and language of our pupils.

Public Benefit

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

As an Academy we have a duty to support other schools. Hollymount School as a National Support School has been working with Babcock, the local authority's commissioned school improvement service in supporting other schools within the Worcestershire area. Hollymount has also run professional development courses for schools in Flip Learning and Matching Feedback to Pupil Need. Both Hollymount and Carnforth Schools have worked collaboratively with other schools in reading research, feedback, joint moderations and sharing pedagogical skills to improve the learning experiences of pupils. The Trust schools in alliance with three other schools, have, this year, been allocated ITT placements through School Direct. This is an exciting advancement for the Trust and builds on the assessment only route that the Trust has run in the past. Although due to begin in the academic year 18/19 4 salaried places became apprenticeship placements and started in July. The Trust is pleased to be working with UCB for these placements. This academic year saw 100% of assessment only route teachers getting teaching appointments.

STRATEGIC REPORT

Achievements and Performance

Carnforth is in its first year of operation as an academy and has exceeded the forecast number of students. The total number of students in the year ended 31 August 2018 was 185 but this has increased to 201 for expected intake September 2018 due to increases across the whole school. The School is full in three year groups and has a waiting list in operation. For September 2018 the school is planning to increase Nursery provision to full time, and provide wrap around care to hopefully increase numbers for Reception. There are a number of schools across Worcester who have not had a full Reception this year and with the Free school opening the Trust recognises the importance of encouraging pupils to the school at an early age. Carnforth were pleased to receive their first set of results as an Academy and noted that there had been a great improvement in the school's performance if compared with the previous school. This showed that the school had shown impact on pupil attainment and justified the higher cost of employing a non-teaching reading manager and an experienced non-teaching inclusion manager. When benchmarked with other schools costs look high but experienced staffing with a lower ratio of pupils to teacher was considered to be a good strategy to address the 'historical underachievement' (Ofsted 2016). KS2 results this year although below were broadly in line with national results.

Hollymount, now in its fourth year as an academy continues to increase in number and was oversubscribed for 2018/9 Reception. The Number on roll has increased from 313 Sept 1st 2017 to 378 projected for Sept 1st 2018.

EYFS DATA SUMMARY: SUMMER 2018	
EYFS (Reception Class)	
Number of children: 60	% children achieved GLD (Good Level of Development, National 71%)
Average point score: (National 34.6)	

	Groups	Hollymount % Met GLD		Carnforth % Met GLD		National % Met GLD		Key Headlines Hollymount Carnforth
GLD	All	60		60		71		Attainment: Highest for 3 years. GLD 60%, in line with last year but 11% below national Figures include 2 newly arrived EAL Highest for 3 years. The school has narrowed the gap between the school APS and national. Results are on an upward trajectory All children, in both schools made good progress from their starting points.
	Boys	44		53		65		
	Girls	75		69		78		
	Autumn	55		67		-		
	Spring	64		62		-		
	Summer	65		40		-		
	FSM	55		31		57		
	Non FSM	82		82		74		
	School Support	25		9		24		
	No SEND	67		89		71		
	EAL	58		50		66		
	Not EAL	62		61		74		
		% EXP SCH	% EXC SCH	% EXP SCH	% EXC SCH	% EXP NAT	% EXC NAT	
SPECIFIC LEARNING GOALS	Lit	Rdg	72	2			77	19
		Wri	62	2			74	11
	Mat	Num	74	2			80	16
		SSM	72	0			82	15

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

YEAR 1	Hollymount % at expected standard	Carnforth % at expected standard	National % figures		Key Headlines Hollymount Carnforth
ALL	82	79	83		Attainment In line with national results. Disadvantaged: 3% decrease on previous year's gap. One third of the disadvantaged group and half the FSM group are also children with SEND No significant Gap between disadvantage and non-disadvantaged Other significant groups Gender gap reflects % of SEND in these groups Increase in SEND and EAL groups
Boys	74	75	79		
Girls	91	88	86		
Disadvantaged	75	78	72		
Non-disadvantaged	86	79	85		
FSM	64	50	70		
Not FSM	91	83	85		
School support	50	43	44 (inc EHCP)		
No SEND	87	90	89		
EAL	73	100	82		
Not EAL	85	76	83		
YEAR 2			Hollymount ALL Y2 2018	Carnforth ALL Y2 2018	
ALL	67	60	92		Attainment ¾ not attaining on SEND register Upward trend in children achieving GDS Disadvantaged 3 /4 not meeting the standard are PP/ FSM. They are also children with SEND. No significant difference between the two groups non-disadvantaged attaining slightly better 69% compared with 67% Gap narrowed from 18% to 2%
Boys	67	64	95		
Girls	67	55	90		
Disadvantaged	63	63	87		
Non disadvantaged	75	56	96		
FSM	60	67	88		
Not FSM	71	54	94		
School Support	60	0	80		
No SEND	71	65	95		
EAL	100*	40	92		
Not EAL	67	65	92		

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

YEAR 2 PERCENTAGE OF CHILDREN ACHIEVING EXPECTED AND GREATER DEPTH															
		Sch Exp	Nat Exp	Sch GDS	Nat GDS		Sch Exp	Nat Exp	Sch GDS	Nat GDS	Sch RWM Exp/ GDS	Sch RWM Exp/ GDS	RWM Exp		
YEAR 2	No.	READING Hollymount					No.	READING Carnforth					Hollymount	Carnforth	National
ALL	51	69	75	20	26	25	68	75	16	26	55	60	65		
Boys	21	81	71	29	22	14	71	71	21	22	71	64	60		
Girls	30	60	80	13	29	11	84	80	9	29	43	55	71		
Disad	24	48	63	9	14	9	69	63	19	14	33	63	50		
Non disad	27	86	73	29	29	19	67	73	11	29	74	56	69		
FSM	16	50	60	6	26	12	75	60	17	26	38	67	48		
Not FSM	34	79	78	13	28	13	62	78	15	28	65	54	68		
School Support	10	20	30	0	5	4	0	30	0	5	19	0	unkn		
No SEND	41	80	82	24	29	21	81	82	19	29	75	71	unkn		
EAL	10	80	72	30	21	5	40	72	20	21	60	40	64		
Not EAL	41	66	76	17	27	20	75	76	15	27	54	65	66		
	No.	WRITING Hollymount					No.	WRITING Carnforth							
ALL	51	61	70	12	16	25	64	70	0	16					
Boys	21	76	63	14	12	14	64	63	0	12					
Girls	30	50	77	10	20	11	64	77	0	20					
Disad	24	43	56	39	8	9	69	56	0	8					
Non disad	27	75	74	57	18	19	56	74	0	18					
FSM	16	50	53	6	7	12	75	53	0	7					
Not FSM	34	68	73	15	17	13	54	73	0	17					
School Support	10	20	22	0	2	4	0	22	0	2					
No SEND	41	71	77	15	18	21	76	77	0	18					
EAL	10	70	69	20	15	5	40	69	0	15					
Not EAL	41	59	70	10	16	20	70	70	0	16					
	No.	MATHS Hollymount					No.	MATHS Carnforth							
ALL	51	73	76	18	22	25	68	76	12	22					
Boys	21	86	75	33	24	14	79	75	14	24					
Girls	30	63	77	7	20	11	55	77	9	20					
Disad	24	50	63	9	12	9	63	63	19	12					
Non disad	27	93	80	25	24	19	78	80	0	24					
FSM	16	44	61	13	11	12	67	61	17	11					
Not FSM	34	85	79	21	44	13	69	79	8	44					
School Support	10	20	33	0	5	4	25	33	0	5					
No SEND	41	85	83	22	24	21	76	83	14	24					
EAL	10	90	75	30	21	5	80	75	0	21					
Not EAL	41	68	77	15	22	20	65	77	15	22					

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Key Headlines
<p>Hollymount Carnforth Attainment:</p> <ul style="list-style-type: none"> • Children's attainment in maths is in line with national figures. • Children with no SEND attained in line with national figures at the expected standard for reading and maths and at GDS for all subjects. Attainment was slightly below national for writing for this group. • 10 children with SEND had a significant impact on the attainment of the cohort, being a fifth of the cohort. Only 2 children in this group reached the expected standard. • Improvement of 20% in SEND attainment. • Drop in EAL attainment but this was due to dynamics within the group • FSM have outperformed Not FSM <p>Disadvantaged:</p> <ul style="list-style-type: none"> • 90% of the children with SEND are also classed as disadvantaged and 70% are entitled to FSM. This impacted greatly on the attainment of the whole disadvantaged group and can partially explain the attainment gap between disadvantaged and not disadvantaged/ FSM not FSM • The gap between disadvantaged and Non has reversed with 69% disadvantaged achieving EXS+ and Non 56% <p>Other Significant Groups</p> <ul style="list-style-type: none"> • The gap between boys and girls is significantly large in this cohort across all 3 subjects, with boys far outperforming girls. This is in direct contrast to last year's attainment and is cohort specific. Almost a third of girls in this cohort are classed as having SEND. Development of SEND is a key area of school development plan –focusing on quality first teaching of children with SEND/effective use of IPMs to ensure progress/ development of independence- see SDP • EAL attainment was above national EAL, in reading, writing and maths at expected and greater depth standard.
<p>Progress:</p> <ul style="list-style-type: none"> • Most children met or exceeded their prediction set from EYFS statutory assessments. Those that didn't (reading 2; writing 5; maths 3) have specific needs which, although supported, hindered their progress towards the expected standard eg. spelling • 20% of "matched children" exceeded their prediction in each area (R, W, M) • 6 of the 13 children joining this cohort since the beginning of Year 1 were newly arrived EAL children. 3 were children with SEND. • School tracking data shows that the longer preschool experience children have the more likely they are to reach expected standards. This is particularly true of children from the disadvantaged group. In this group 83% of children who had 2+ full years of preschool reached the expected standard at KS1 compared to 14% of disadvantaged children who joined in Reception. • There are no progress results for Carnforth as this is the schools first year of results

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

YEAR 6 PERCENTAGE OF CHILDREN ACHIEVING EXPECTED AND GREATER DEPTH

SATS RESULTS		Sch ARE	Nat ARE	Sch GDS	Nat GDS		Sch ARE	Nat ARE	Sch GDS	Nat GDS	Sch RWM Exp/ GDS	Sch RWM Exp/ GDS	Nat RWM Exp/ GDS
YEAR 6	No.	READING Hollymount				No.	Reading Carnforth				Hollymount	Carnforth	
ALL	37	78	75	16	28	20	65	75	5	28	76 (3)	55	64
Boys	19	68	72	16	24	10	50	72		24	63 (0)	40	61
Girls	18	89	79	17	32	10	80	79		32	89 (6)	70	68
Disad	20	75	80	5	33	12	58	80		33	70 (6)	50	70
Non disad	17	82	80	29	33	8	75	80		33	82 (6)	63	70
FSM	4	50	78			10	60	78			25	50	67
Not FSM	33	82	78			10	70	78			82	60	67
School Support	8	50	75	0	28	4	25	75		28	38 (0)	25	64
Not SEND	29	86	83	21	32	16	75	83		32	86 (3)	63	73
EAL	15	80	75	18	28	4	75	75		28	80 (0)	50	64
Not EAL	22	77	75	13	28	16	63	75		28	73(5)	56	64
	No.	WRITING Hollymount					WRITING Carnforth				Key Headlines		
ALL	37	78	78	16	20	20	65	78		20			
Boys	19	68	72	5	15	10	50	72		15			
Girls	18	89	84	28	25	10	80	84		25			
Disad	20	70	83	5	24	12	58	83		24			
Non disad	17	88	83	29	24	8	75	83		24			
FSM	4	25	81	0	21	10	50	81		21			
Not FSM	33	85	81	18	21	10	80	81		21			
School Support	8	38	78	0	20	4	25	78		20			
Not SEND	29	90	88	21	23	16	75	88		23			
EAL	15	73	78	9	20	4	75	78		20			
Not EAL	22	87	78	27	20	16	63	78		20			
	No.	Maths Hollymount					MATHS Carnforth						
ALL	37	89	76	30	24	20	65	76		24			
Boys	19	89	75	26	25	10	60	75		25			
Girls	18	89	76	33	22	10	70	76		22			
Disad	20	85	81	10	28	12	67	81		28			
Non disad	17	94	81	53	28	8	63	81		28			
FSM	4	50	78			10	60	78					
Not FSM	33	94	78			10	70	78					
School Support	8	63	76	13	24	4	25	76		24			
Not SEND	29	97	84	34	27	16	75	84		27			
EAL	15	86	76	27	24	4	50	76		24			
Not EAL	22	93	76	33	24	16	69	76		24			

Key Headlines:

Hollymount

Carnforth

Attainment

- Combined attainment in R, W, M (76%) was significantly higher than national average (64%)
- This was also reflected in the 3-year average combined attainment in R, W, M (69.3%) which was significantly above the national average (59.72%)
- The proportion of children reaching the higher standard in reading was below national and in line with previous years. 2 children narrowly missed the higher standard with a scaled score of 109. (if they had achieved would have reached 22%)
- 3% of children achieved combined greater depth which was below national average (10%). This was also reflected in the school's 3-year average (3.51%) compared to national (8.01%). **Key area of development within the SDP focusing on Mastery- outcome planning/ early identification of more able and targeted intervention to enable children to achieve greater depth in reading, writing and maths**
- A greater percentage of children (30%) in maths achieved a higher standard compared to national (24%)
- Combined attainment for girls (89%) was significantly above national average (68%)
- Combined attainment for boys (63%) was in line with national average (61%)

Disadvantaged

- Combined attainment of disadvantaged children (70%) was in-line with national benchmark of non-disadvantaged (70%)
- All disadvantaged children, who did not reach combined expected standards, were classed as having SEND. 100% of disadvantaged children, with no SEND, achieved the combined expected standard.

Other Significant Groups

- 80% of EAL children achieved combined compared to 64% national benchmark.
- School support SEND group performed below national benchmarks in all areas. –Action – **Development of SEND is a key area of school development plan –focusing on quality first teaching of children with SEND/effective use of IPMs to ensure progress/ development of independence- see SDP**

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

END OF KEY STAGE 1 TO END OF KEY STAGE 2 PROGRESS

YEAR 6	No. HS	No. CS	READING			WRITING			MATHS		
			Hollymount	Carnforth	Nat	Hollymount	Carnforth	Nat	Hollymount	Carnforth	Nat
ALL	33	20	0.83	-3.1	0	0.63	-1.7	0	3.84	-1.4	0
Boys	18	10	-0.18	-4.4	-0.4	-1.46	-2.8	-0.8	3.4	-2.2	0.7
Girls	15	10	2.05	-1.4	0.4	3.13	-0.3	0.8	4.37	-0.5	-0.7
Disadv	20	12	0.37	-3.7	-0.6	0.14	-1.3	-0.5	2.77	-1.7	-0.6
Non Disadv	13	8	1.56	-1.9	0.3	1.38	-2.5	0.2	5.5	-0.8	0.3
FSM	4	10	-3.3	-4.8	-0.8	-3.7	-1.8	-0.7	-0.8	-2.7	-0.8
Not FSM	33	10	1.4	-0.9	0.1	1.2	-1.5	0.1	4.5	+0.1	0.1
School Support	8	4	-1.46	-8.7	0.1	-2.29	-5.1	0.2	0.42	-6.4	0.1
Not SEND	25	16	1.57	-1.5	-1.0	1.56	-0.7	-1.9	4.94	0.0	-1.0
EAL	11	4	2.3	+1.7	0.6	-0.42	-1.0	1.3	6.56	-1.9	2.1
Not EAL	22	16	0.1	-3.7	-0.1	2.73	-1.8	-0.3	2.49	-1.4	-0.4

Key Headlines:

Hollymount

In 2018, progress in reading and writing was in line with national

- Progress in maths (3.84) was significantly higher than national average
- Progress in writing has been in line with national over the last three years
- Progress in maths has been significantly higher than national average for the last two years

Disadvantaged:

Progress of disadvantaged children is lower than Hollymount non-disadvantaged although is in line with national non-disadvantaged and above non-disadvantaged nationally for maths.

Other significant groups

Boys progress is lower than girls, but more boys than girls were in also classed as SEND.

Lower prior attainers (1 child) did not make good progress. This child had significant SEND, and very poor school attendance.

Middle prior attainers (24 children) Made good progress in all 3 subjects – significantly above national comparators. Although there was a slight negative difference between the progress score of "disadvantaged"

and all, this was not significant and always above national progress figures.

Higher prior attainers (8 children) This is the poorest performing group in terms of progress in reading (-0.75) and writing (-1.59), in both subjects the disadvantaged children progressed less than "all".

Carnforth

As this was Carnforths first year as a school the following analysis is a comparison with results from the previous school.

- Generally progress for boys was low compared with national, considering the small numbers girls were broadly in line with national.
- Reading progress was poor and Carnforth School have had this as a focus this year as they were aware of the poor reading skills within the year.
- Accuracy of assessment was inadequate when judged by Ofsted at the time these children were in KS 1 consequently some progress scores may not be accurate.
- Carnforth are aware that the 'historic underachievement' (Ofsted 2016) has had a greater effect on disadvantaged children and are putting extra resources in to support these children in filling the gaps in their knowledge and skills

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FOR THE YEAR ENDED 31 AUGUST 2018**

To ensure that standards are continually assessed, the Trust operates a programme of lesson observations, which are undertaken by the Senior Leadership Team of the schools alongside the CEO of the Trust and linked to performance management.

Carnforth received CIF funding for the playground refurbishment the main works of which were completed during July and August. The markings will be completed over the winter when the weather makes it possible.

Hollymount received funding for refurbishing/replacing the rails at the front of the school. This is being integrated into the new Nursery development.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. At the end of August 2018, £52k of restricted funds were carried forward, together with £4,530k restricted fixed asset funds and £415k unrestricted funds. This is offset by the pension deficit of £1,357k leaving net assets at 31st August 2018 of £3,640k.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for the Trust during 2017/8 for were 628, an increase of 20 over 2016/17. It is anticipated that this number will be maintained within the school setting and continue to rise within the nursery provision.

Total revenue income for the year was £81k above the forecast budget. This additional income can be attributed to additional nursery funding, consultancy work for School improvements and behaviour support at Dines Green Community Primary School. In addition, the Trust also received £49k of capital from CIF funding and the transfer after conversion of the capital surplus balance to Carnforth School.

The following KPIs for Hollymount School were set at the start of the year:

KPI	Target	Actual
GAG carry forward %	0.53%	0%
Pupil to teacher ratio	1 : 18	1 : 17.58
Teaching to non-teaching staff ratio	1 : 1	1 : 0.75
Student attendance %	96%	95.83%
Total income per pupil	£5,525	£5,378
Total GAG per pupil	£3,985	£3,710
Ratio of GAG to total income	72%	72%
Staff costs per pupil	£4,551	£3,690
Ratio of staff costs to total income	82.4%	76%
Ratio of pension cost to staff costs	15.7%	12.62%
Total learning resources costs per pupil	£316	£612
Spend per pupil for non-pay expenditure lines	£1,142	£1,001
LGPS deficit per pupil	£2,002	£1,944
LGPS deficit per non-teaching staff member	£34,904	£33,714

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy 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 Going concern policy.

Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2018 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

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

During the year ended 31 August 2018, the Academy received total income of £3,407k and incurred total expenditure of £3,586k. The excess of income over expenditure after recognised adjustments for the year was £56k.

At 31 August 2018 the net book value of fixed assets was £4,399k and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy. Following the conversion of Carnforth School the land and buildings were revalued by ESFA resulting in a prior year adjustment to the restricted fixed assets.

During the trust was awarded CIF funding and healthy schools funding for the purposes of:

- Resurfacing and improving the playground area at Carnforth School
- Safeguarding Improvements to the external fencing at Hollymount School

During the year the Trust principal and senior leadership team carried out training and support activities with school outside the trust. This generated income that has been re-invested back in to the trust. In addition the trust received a National Support Schools bursary to enable the Trust Principal a qualified NLE to provide school improvement in other schools. It is expected that this support and funding will continue through 2018/19.

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

Key financial policies adopted or reviewed during the year include the Trust Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included GDPR, Pay Policy, Safeguarding and Related Policies. The Trust buys the services of MBHS to oversee Health and Safety in both Schools including updating the policy.

Reserves Policy

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

The Trustees have determined that the appropriate level of free reserves should be approximately equal to one month's ESFA funding. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Total reserves of the academy amount to £4,997k excluding the pension scheme liability, although £4,530k of this is invested in fixed assets or represents non GAG restricted funds. The remaining £467k (representing £415k unrestricted funds and £52k unspent Academy Sponsor funding is the balance that the Trustees monitor in accordance with the Board's reserves policy.

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

Investment Policy

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

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

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

Principal Risks And Uncertainties

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

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

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 95% of the Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, continued delays introducing the full national fairer funding, reduction in Higher Needs funding and increasing employment costs mean that budgets will be increasingly tight in coming years. 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.

Fraud and mismanagement of funds - The Trust has appointed an external auditor to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

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, staff training, health & safety and discipline.

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 success and achievement are closely monitored and reviewed. The Trust is well aware that the new free school will cause a shift in numbers which will have a ripple effect across Worcester.

Staffing - the success of the Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning. The ITT alliance is an important development as we can continue to grow our own teachers and middle leaders.

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

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

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

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

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 22 to the financial statements, represents a significant potential liability.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

However, as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

FUNDRAISING

The Trust itself does not raise funds however the individual schools may raise funds for charities such as Red Nose Day, the Rotary School Bag Appeal etc. The Parent Friends Associations and School Discos raise small amounts to help supplement the annual Christmas Presents and Parties/special events for the children.

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives. In order to do this the Trust will continue to work collaboratively with other schools and universities to improve the educational opportunities for pupils in the wider community.

If successful with the DfE funding bid, the Trust will commence construction of a new Nursery and community use centre in the coming year at Hollymount School. The Board of Trustees plan to support this project. This is part of a larger project to move the offices to the front of the school to improve safeguarding and give more space for efficiency of office practices. The project is due for completion in August 2019.

Due to our success in working with other schools, we have been asked to sponsor St Georges First School, Kidderminster and to support the Head Teacher and the Senior Leadership Team through their conversion to an Academy. This is exciting news as this will be our first diocesan school and we look forward to working with Worcester Diocese.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 13/12/18 and signed on the board's behalf by:



P D Shoemith
Chair of Trustees

**THE BLACK PEAR TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Trust 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 The Black Pear Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

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

Trustee	Meetings attended	Out of a possible
A M Burkert	4	4
P A Clayton, Vice Chair of Trustees	4	4
P Clayton	2	4
P J Collins	3	4
J Cook	3	4
V D Cranton, Headteacher	3	4
P Edwards	4	4
A Maciaszek-Skubinska	4	4
J M Harkins	3	4
C Hunt	4	4
T Reed	2	4
P D Shoemith, Chair of Trustees	4	4
T Griffiths	1	2

During the year Mr T Griffiths joined the board of Trustees.

A governance review was held across the trust requiring trust board members to complete a skills audit. The audit has highlighted areas of expertise and identify areas that require recruitment or training.

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GOVERNANCE STATEMENT (continued)

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

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

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A M Burket	3	3
P A Clayton	3	3
P J Collins	3	3
T Griffiths	0	1
P D Shoesmith	3	3

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of 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:

- Benchmarking against similar academies using data provided by ESFA and the Auditors
- Using Crown Commercial Services for the procurement of the schools utilities
- Reviewing SLAs to ensure the delivered services meets the prescribed agreement and provides best value
- Implementing a trust wide finance policy to ensure robust financial governance and budget management
- Tracking restricted funding against pupil outcomes to ensure effective use of resources
- Purchasing services and resources at a trust level to access economies of scale
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.

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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 The Black Pear Trust for the year 1 September 2017 to 31 August 2018 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 year 1 September 2017 to 31 August 2018 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 and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

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

The reviewer'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 accounting systems
- testing of income systems
- testing of payroll systems
- testing of purchase and fixed asset systems

On a termly basis, the external auditors report to the Board of Trustees through the Finance and Resources Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The external auditor has delivered their schedule of work as planned, and there are no material control issues arising as a result of their work.

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

GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Trust 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 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 external auditors and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on

and signed on their behalf, by:



P D Shoemith
Chair of Trustees
13/12/18



V D Cranton
Accounting Officer
13/12/18

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

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Black Pear Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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



V D Cranton
Accounting Officer
13/12/18

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees (who 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 & 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 2017 to 2018;
- 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

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



**P D Shoesmith
Chair of Trustees**

Date: 13/12/18

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

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

OPINION

We have audited the financial statements of The Black Pear Trust (the 'Academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

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

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 Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic 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 Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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 are 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 Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

AUDITORS' 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 Auditors' 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 Auditors' Report.

USE OF OUR REPORT

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



Andrew Wood FCCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

1-3 College Yard

Worcester

WR1 2LB

Date:

19th December 2018

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

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

In accordance with the terms of our engagement letter dated 18 September 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Black Pear Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of The Black Pear Trust's funding agreement with the Secretary of State for Education dated 29 May 2014, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by 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 Academy's income and expenditure.

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

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

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

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE BLACK PEAR TRUST AND THE EDUCATION & 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 year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Andrew Wood FCCA (Reporting Accountant)

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

Date: 19th December 2018.

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

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	As restated Total funds 2017 £
INCOME FROM:						
Donations & capital grants:						
Transfer on conversion	2	-	-	99,885	99,885	2,161,473
Other donations and capital grants	2	4,242	30,850	63,527	98,619	33,121
Charitable activities	3	282,015	2,798,207	-	3,080,222	2,059,373
Other trading activities	4	127,795	-	-	127,795	167,771
Investments	5	389	-	-	389	361
TOTAL INCOME		414,441	2,829,057	163,412	3,406,910	4,422,099
EXPENDITURE ON:						
Charitable activities		369,764	3,088,763	127,707	3,586,234	2,315,846
TOTAL EXPENDITURE	6	369,764	3,088,763	127,707	3,586,234	2,315,846
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		44,677	(259,706)	35,705	(179,324)	2,106,253
Actuarial gains/(losses) on defined benefit pension schemes	22	-	235,000	-	235,000	(126,000)
NET MOVEMENT IN FUNDS		44,677	(24,706)	35,705	55,676	1,980,253
RECONCILIATION OF FUNDS:						
Total funds brought forward		370,705	(1,280,437)	4,494,153	3,584,421	1,604,168
TOTAL FUNDS CARRIED FORWARD		415,382	(1,305,143)	4,529,858	3,640,097	3,584,421

The notes on pages 35 to 57 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	As restated 2017 £
FIXED ASSETS					
Tangible assets	14		4,398,806		4,468,932
CURRENT ASSETS					
Stocks	15	25,726		23,689	
Debtors	16	138,137		179,919	
Cash at bank and in hand		758,548		590,009	
			<u>922,411</u>	<u>793,617</u>	
CREDITORS: amounts falling due within one year	17	(324,120)		(211,128)	
NET CURRENT ASSETS			<u>598,291</u>		<u>582,489</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,997,097</u>		<u>5,051,421</u>
Defined benefit pension scheme liability	22		<u>(1,357,000)</u>		<u>(1,467,000)</u>
NET ASSETS			<u><u>3,640,097</u></u>		<u><u>3,584,421</u></u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	18	51,857		186,563	
Fixed asset funds	18	4,529,858		4,494,153	
			<u>4,581,715</u>	<u>4,680,716</u>	
Restricted funds excluding pension liability			<u>4,581,715</u>	<u>4,680,716</u>	
Pension reserve		(1,357,000)		(1,467,000)	
			<u><u>3,224,715</u></u>	<u>3,213,716</u>	
Total restricted funds			<u><u>3,224,715</u></u>	<u>3,213,716</u>	
Unrestricted funds	18		<u>415,382</u>	<u>370,705</u>	
TOTAL FUNDS			<u><u>3,640,097</u></u>	<u><u>3,584,421</u></u>	

The financial statements on pages 32 to 57 were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:



P D Shoesmith
Chair of Trustees

13/12/18

The notes on pages 35 to 57 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	<u>62,319</u>	<u>(53,021)</u>
Cash flows from investing activities:			
Interest received		389	361
Purchase of tangible fixed assets		(57,581)	(11,503)
Capital grants from DfE Group		163,412	7,873
Cash transferred on conversion		-	4,423
Net cash provided by investing activities		<u>106,220</u>	<u>1,154</u>
Change in cash and cash equivalents in the year		168,539	(51,867)
Cash and cash equivalents brought forward		<u>590,009</u>	<u>641,876</u>
Cash and cash equivalents carried forward	21	<u><u>758,548</u></u>	<u><u>590,009</u></u>

The notes on pages 35 to 57 form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

1.2 GOING CONCERN

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

1.3 INCOME

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

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE

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

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

All expenditure is inclusive of irrecoverable VAT.

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £500 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 and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	Land 125 Years, Buildings 35-50 Years
Furniture and fixtures	-	50% Straight Line
Motor vehicles	-	20% Straight Line
Computer equipment	-	33% Straight Line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

1.6 STOCKS

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

1.7 DEBTORS

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

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 and cash on deposit that has a notice period of less than 30 days.

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 Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

1.10 FINANCIAL INSTRUMENTS

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy 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 16. Prepayments are not financial instruments.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 17. 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 Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.12 PENSIONS

Retirement benefits to employees of the academy 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 Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

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

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

1.13 FUND ACCOUNTING

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

1.14 OPERATING LEASES

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	As restated Total funds 2017 £
Transfer on conversion	-	-	99,885	99,885	2,161,473
	-	-	99,885	99,885	2,161,473
Donations	4,242	30,850	-	35,092	25,248
Capital Grants	-	-	63,527	63,527	7,873
	4,242	30,850	63,527	98,619	33,121
	4,242	30,850	163,412	198,504	2,194,594
Total 2017	19,820	(491,099)	2,665,873	2,194,594	

THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Education	20,244	2,798,207	2,818,451	1,888,141
Nursery	261,771	-	261,771	171,232
	<u>282,015</u>	<u>2,798,207</u>	<u>3,080,222</u>	<u>2,059,373</u>
Total 2017	<u>183,051</u>	<u>1,876,322</u>	<u>2,059,373</u>	

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant	-	2,365,983	2,365,983	1,557,915
Other DfE/ESFA grants	-	354,004	354,004	262,908
	<u>-</u>	<u>2,719,987</u>	<u>2,719,987</u>	<u>1,820,823</u>
Other Government grants				
High Needs	-	69,759	69,759	47,233
Other government grants non capital	-	8,461	8,461	8,266
	<u>-</u>	<u>78,220</u>	<u>78,220</u>	<u>55,499</u>
Other funding				
Sales to students	20,244	-	20,244	11,819
	<u>20,244</u>	<u>-</u>	<u>20,244</u>	<u>11,819</u>
	<u>20,244</u>	<u>2,798,207</u>	<u>2,818,451</u>	<u>1,888,141</u>
Total 2017	<u>11,819</u>	<u>1,876,322</u>	<u>1,888,141</u>	

THE BLACK PEAR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	2,501	-	2,501	2,084
External Catering	52,404	-	52,404	51,587
Consultancy	45,420	-	45,420	60,675
Fees received	364	-	364	3,000
Other	27,106	-	27,106	50,425
	<u>127,795</u>	<u>-</u>	<u>127,795</u>	<u>167,771</u>
Total 2017	<u>167,771</u>	<u>-</u>	<u>167,771</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	389	-	389	361
Total 2017	<u>361</u>	<u>-</u>	<u>361</u>	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Education					
Direct costs	2,270,486	113,562	155,666	2,539,714	1,697,458
Support costs	441,225	134,848	470,447	1,046,520	618,388
	<u>2,711,711</u>	<u>248,410</u>	<u>626,113</u>	<u>3,586,234</u>	<u>2,315,846</u>
Total 2017	<u>1,846,964</u>	<u>194,122</u>	<u>274,760</u>	<u>2,315,846</u>	

THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

7. DIRECT COSTS

	Total 2018 £	Total 2017 £
Pension finance costs	19,000	6,500
Educational supplies	46,364	35,800
Staff development	27,162	18,240
Other costs	63,140	23,055
Supply teachers	850	-
Technology costs	3,923	8,432
Wages and salaries	1,787,192	1,224,664
National insurance	153,831	106,393
Pension cost	328,613	213,187
Depreciation	109,639	61,187
	<u>2,539,714</u>	<u>1,697,458</u>
	<u>1,697,458</u>	

8. SUPPORT COSTS

	Total 2018 £	Total 2017 £
Pension finance costs	19,000	9,500
Educational supplies	1,644	960
Other costs	27,606	15,056
Maintenance of premises and equipment	25,000	49,771
Cleaning	4,757	2,921
Rent and rates	20,331	7,066
Energy costs	34,340	15,159
Insurance	32,309	9,706
Security and transport	32,352	16,211
Catering	86,621	57,310
Technology costs	8,304	14,037
Office overheads	31,349	17,617
Legal and professional	166,541	59,282
Bank interest and charges	162	158
Provision for potential repayment	86,906	-
Governance	10,005	12,240
Wages and salaries	296,618	209,326
National insurance	12,271	7,800
Pension cost	132,336	85,594
Depreciation	18,068	28,674
	<u>1,046,520</u>	<u>618,388</u>
	<u>618,388</u>	

**THE BLACK PEAR TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	127,707	89,861
Auditors' remuneration - audit	9,000	8,200
Auditors' remuneration - other services	4,040	4,040
Operating lease rentals	2,288	2,288
	<u><u> </u></u>	<u><u> </u></u>

THE BLACK PEAR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	2,083,810	1,433,990
Social security costs	166,102	114,193
Operating costs of defined benefit pension schemes	460,949	298,781
	<u>2,710,861</u>	<u>1,846,964</u>
Agency staff costs	850	-
	<u>2,711,711</u>	<u>1,846,964</u>

b. Staff numbers

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

	2018	2017
	No.	No.
Teachers	40	23
Educational Support	37	26
Administration & Clerical	6	4
Premises Staff, Lunchtime Supervisors and Pastoral Assistants	25	24
Management	9	6
	<u>117</u>	<u>83</u>

Average headcount expressed as a full time equivalent:

	2018	2017
	No.	No.
Teachers	35	21
Educational Support	24	14
Administration & Clerical	4	2
Premises Staff, Lunchtime Supervisors and Pastoral Assistants	11	9
Management	7	6
	<u>81</u>	<u>52</u>

c. Higher paid staff

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

	2018	2017
	No.	No.
In the band £70,001 - £80,000	0	1

**THE BLACK PEAR TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

10. STAFF COSTS (continued)

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £425,045 (2017 £331,210).

As staff trustees are not remunerated in respect of their role as a trustee, where staff trustees do not form part of the key management personnel other than in their role as trustee, their remuneration as set out in note 12 has not been included in the total benefits received by key management personnel above.

11. CENTRAL SERVICES

The Academy has provided the following central services to its academies during the year:

- Trust Staff Support
- Legal & Professional
- Marketing
- Strategic Governance
- Tendering & Procurement of Contracts
- Insurance

The Academy charges for these services on the following basis:

The Trust recharges costs incurred in relation to Carnforth School and Hollymount School to cover the central services detailed above.

The actual amounts charged during the year were as follows:

	2018 £	2017 £
Hollymount school	59,760	-
Carnforth school	33,420	-
Total	<u>93,180</u>	<u>-</u>

12. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy in respect of their role as Trustees. The value of Trustees' remuneration including pension contributions in respect of defined benefit schemes in the period was as follows; V Cranton: remuneration £50,000 - £55,000 (2017: £70,000 - £75,000), employer's pension contributions £5,000 - £10,000 (2017: £10,000 - £15,000); E Pritchard: remuneration £55,000 - £60,000 (2017:nil) employer's pension contributions £5,000 - £10,000 (2017:nil); A Maciaszek-Skubinska: remuneration £10,000 - £15,000 (2017: £5,000 - £10,000), employer's pension contributions £NIL - £5,000 (2017: £NIL - £5,000).

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

During the year, no Trustees received any benefits in kind (2017: £NIL).

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017: £NIL).

13. TRUSTEES' AND OFFICERS' INSURANCE

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

THE BLACK PEAR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

14. TANGIBLE FIXED ASSETS

	Leasehold property £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
COST					
At 1 September 2017 (as previously stated)	4,944,345	43,545	112,478	89,922	5,190,290
Prior year adjustment	(416,650)	-	-	-	(416,650)
At 1 September 2017 (as restated)	4,527,695	43,545	112,478	89,922	4,773,640
Additions	-	-	46,022	11,559	57,581
At 31 August 2018	4,527,695	43,545	158,500	101,481	4,831,221
DEPRECIATION					
At 1 September 2017	113,355	14,153	108,423	68,777	304,708
Charge for the year	91,970	8,709	8,960	18,068	127,707
At 31 August 2018	205,325	22,862	117,383	86,845	432,415
NET BOOK VALUE					
At 31 August 2018	4,322,370	20,683	41,117	14,636	4,398,806
At 31 August 2017 (as restated)	4,414,340	29,392	4,055	21,145	4,468,932

15. STOCKS

	2018 £	2017 £
Goods for resale	25,726	23,689

16. DEBTORS

	2018 £	2017 £
Trade debtors	6,463	52,891
Other debtors	64	1,510
Prepayments and accrued income	86,819	115,313
Tax recoverable	44,791	10,205
	138,137	179,919

THE BLACK PEAR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	58,008	80,275
Other taxation and social security	43,613	41,895
Other creditors	134,576	40,871
Accruals and deferred income	87,923	48,087
	<u>324,120</u>	<u>211,128</u>
	<u>324,120</u>	<u>211,128</u>
	2018	2017
	£	£
DEFERRED INCOME		
Deferred income at 1 September 2017	20,776	22,688
Resources deferred during the year	38,366	20,776
Amounts released from previous years	(20,776)	(22,688)
	<u>38,366</u>	<u>20,776</u>
Deferred income at 31 August 2018	<u>38,366</u>	<u>20,776</u>

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

THE BLACK PEAR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. STATEMENT OF FUNDS

	Restated Brought forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS					
General Funds	370,705	414,441	(369,764)	-	415,382
RESTRICTED FUNDS					
General Annual Grant (GAG)	42,157	2,372,779	(2,414,936)	-	-
Higher Needs funding	-	69,759	(69,759)	-	-
Pupil premium	-	293,930	(293,930)	-	-
Universal Infant Free School Meals	-	53,278	(53,278)	-	-
Primary Academy Development Chain Grant	86,906	-	(86,906)	-	-
Educational trip Income	-	30,850	(30,850)	-	-
Other Grants	-	8,461	(8,461)	-	-
Academy sponsorship funding	57,500	-	(5,643)	-	51,857
Pension reserve	(1,467,000)	-	(125,000)	235,000	(1,357,000)
	<u>(1,280,437)</u>	<u>2,829,057</u>	<u>(3,088,763)</u>	<u>235,000</u>	<u>(1,305,143)</u>
RESTRICTED FIXED ASSET FUNDS					
Fixed assets transferred on conversion	4,234,897	99,885	(91,970)	-	4,242,812
Fixed assets purchased from GAG and other restrict	28,388	-	(3,480)	-	24,908
DfE/ESFA Capital grants	30,291	14,129	(7,665)	-	36,755
Nursery Grant	677	-	(83)	-	594
Other Capital Grants	24,846	-	(3,046)	-	21,800
Condition Improvement Fund (CIF)	-	31,298	-	-	31,298
Unrestricted fixed assets	175,054	-	(21,463)	-	153,591
Healthy Pupil Capital Fund	-	18,100	-	-	18,100
	<u>4,494,153</u>	<u>163,412</u>	<u>(127,707)</u>	<u>-</u>	<u>4,529,858</u>
Total restricted funds	<u>3,213,716</u>	<u>2,992,469</u>	<u>(3,216,470)</u>	<u>235,000</u>	<u>3,224,715</u>
Total of funds	<u>3,584,421</u>	<u>3,406,910</u>	<u>(3,586,234)</u>	<u>235,000</u>	<u>3,640,097</u>

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

Restricted:

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

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

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

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

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

Academy sponsorship funding - represents income which has been received for the benefit of improving the Trust.

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

Fixed assets funds:

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

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

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

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

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

Condition Improvement Fund (CIF) - are restricted grants related to a grant provided to the Academy from the Condition Improvement Fund to be used on specific capital work.

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

Healthy Pupil capital fund - this represents funding received to improve the health of pupils

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 2018.

**THE BLACK PEAR TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

18. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	As restated Total 2017 £
Hollymount School	436,417	528,117
Carnforth School	30,822	29,151
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	467,239	557,268
Restricted fixed asset fund	4,529,858	4,494,153
Pension reserve	(1,357,000)	(1,467,000)
	<hr/>	<hr/>
Total	3,640,097	3,584,421
	<hr/> <hr/>	<hr/> <hr/>

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 dep'n and pension reserve £	Total 2018 £	Total 2017 £
Hollymount School	1,605,238	267,602	33,114	360,257	2,266,211	2,088,578
Carnforth School	709,733	102,505	13,943	234,659	1,060,840	63,407
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,314,971	370,107	47,057	594,916	3,327,051	2,151,985
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains/ (Losses) £	As restated Balance at 31 August 2017 £
General Funds	176,655	371,003	(176,953)	-	370,705
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

THE BLACK PEAR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

General Annual Grant (GAG)	95,122	1,557,915	(1,610,880)	-	42,157
Higher Needs funding	-	47,233	(47,233)	-	-
Pupil premium	-	223,443	(223,443)	-	-
Universal Infant Free School Meals	-	35,616	(35,616)	-	-
Primary Academy Development Chain Grant	95,250	-	(8,344)	-	86,906
Educational trip Income	-	24,901	(24,901)	-	-
Other Grants	-	12,115	(12,115)	-	-
Academy sponsorship funding	70,000	-	(12,500)	-	57,500
Pension reserve	(751,000)	(516,000)	(74,000)	(126,000)	(1,467,000)
	<u>(490,628)</u>	<u>1,385,223</u>	<u>(2,049,032)</u>	<u>(126,000)</u>	<u>(1,280,437)</u>

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion	1,625,649	2,658,000	(48,752)	-	4,234,897
Fixed assets purchased from GAG and other restrict	61,193	-	(32,805)	-	28,388
DfE/ESFA Capital grants	29,159	7,873	(6,741)	-	30,291
Nursery Grant	677	-	-	-	677
Other Capital Grants	26,409	-	(1,563)	-	24,846
Unrestricted fixed assets	175,054	-	-	-	175,054
	<u>1,918,141</u>	<u>2,665,873</u>	<u>(89,861)</u>	<u>-</u>	<u>4,494,153</u>
Total restricted funds	<u>1,427,513</u>	<u>4,051,096</u>	<u>(2,138,893)</u>	<u>(126,000)</u>	<u>3,213,716</u>
Total of funds	<u>1,604,168</u>	<u>4,422,099</u>	<u>(2,315,846)</u>	<u>(126,000)</u>	<u>3,584,421</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	4,398,806	4,398,806
Current assets	506,178	274,055	142,178	922,411
Creditors due within one year	(90,796)	(222,198)	(11,126)	(324,120)
Pension scheme liability	-	(1,357,000)	-	(1,357,000)
	<u>415,382</u>	<u>(1,305,143)</u>	<u>4,529,858</u>	<u>3,640,097</u>

THE BLACK PEAR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds	Restricted funds	As restated Restricted fixed asset funds	As restated Total funds
	2017 £	2017 £	2017 £	2017 £
Tangible fixed assets	-	-	4,468,932	4,468,932
Current assets	371,969	396,427	25,221	793,617
Creditors due within one year	(1,264)	(209,864)	-	(211,128)
Pension scheme liability	-	(1,467,000)	-	(1,467,000)
	<u>370,705</u>	<u>(1,280,437)</u>	<u>4,494,153</u>	<u>3,584,421</u>

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

	2018 £	As restated 2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(179,324)	2,106,253
Adjustment for:		
Depreciation charges	127,707	89,861
Interest received	(389)	(361)
Increase in stocks	(2,037)	(4,619)
Decrease/(increase) in debtors	41,782	(41,108)
Increase/(decrease) in creditors	112,992	(107,392)
Capital grants from DfE and other capital income	(163,412)	(7,873)
Defined benefit pension scheme obligation inherited	-	516,000
Defined benefit pension scheme cost less contributions payable	87,000	58,000
Defined benefit pension scheme finance cost	38,000	16,000
Net (loss) on assets and liabilities from local authority on conversion	-	(2,677,782)
Net cash provided by/(used in) operating activities	<u>62,319</u>	<u>(53,021)</u>

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	758,548	590,009
	<u>758,548</u>	<u>590,009</u>

**THE BLACK PEAR TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

22. PENSION COMMITMENTS

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

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

Contributions amounting to £42,414 were payable to the schemes at 31 August 2018 (2017: £38,673) 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.
- 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%.

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 £216,204 (2017: £149,996).

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 an unfunded multi-employer pension scheme. The

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22. PENSION COMMITMENTS (continued)

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 2018 was £196,000 (2017: £110,000), of which employer's contributions totalled £157,000 (2017: £84,000) and employees' contributions totalled £39,000 (2017: £26,000). The agreed contribution rates for future years are 13.8% for employers and 5.5-12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.40 %
Rate of increase in salaries	3.60 %	3.70 %
Rate of increase for pensions in payment / inflation	2.20 %	2.20 %
Inflation assumption (CPI)	2.10 %	2.20 %

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

	2018	2017
Retiring today		
Males	22.7	22.6
Females	25.7	25.6
Retiring in 20 years		
Males	24.9	24.8
Females	28.0	27.9

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	575,000	457,000
Government bonds	59,000	-
Other bonds	34,000	28,000
Property	35,000	21,000
Cash and other liquid assets	15,000	7,000
Other	26,000	19,000
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Total market value of assets	744,000	532,000
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The actual return on scheme assets was £40,000 (2017: £65,000).

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22. PENSION COMMITMENTS (continued)

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

	2018	2017
	£	£
Current service cost	(244,000)	(142,000)
Interest income	12,000	7,000
Interest cost	(50,000)	(23,000)
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Total	(282,000)	(158,000)
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Movements in the present value of the defined benefit obligation were as follows:

	2018	2017
	£	£
Opening defined benefit obligation	1,999,000	1,102,000
Upon conversion	-	649,000
Current service cost	244,000	142,000
Interest cost	50,000	23,000
Employee contributions	39,000	26,000
Actuarial (gains)/losses	(209,000)	57,000
Benefits paid	(22,000)	-
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Closing defined benefit obligation	2,101,000	1,999,000
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Movements in the fair value of the Academy's share of scheme assets:

	2018	2017
	£	£
Opening fair value of scheme assets	532,000	351,000
Upon conversion	-	133,000
Interest income	15,000	8,000
Actuarial gains/(losses)	26,000	(69,000)
Employer contributions	157,000	84,000
Employee contributions	39,000	26,000
Benefits paid	(22,000)	-
Administration expenses	(3,000)	(1,000)
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Closing fair value of scheme assets	744,000	532,000
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23. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018	2017
	£	£
AMOUNTS PAYABLE:		
Within 1 year	2,288	2,288
Between 1 and 5 years	1,144	3,432
Total	3,432	5,720

24. MEMBERS' LIABILITY

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

25. GENERAL INFORMATION

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

These financial statements cover the individual entity only.

26. 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 12.

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period:

The Black Pear Trust purchased £1,488 (2017: £1,240) worth of services from Independent Education & Technology Associates Ltd, a company limited by guarantee and not for profit, of which Mr P D Shoesmith is a director. The amount outstanding at the year-end was £NIL (2017: £NIL).

27. PRIOR YEAR ADJUSTMENT

The prior year adjustment is in relation to the valuation of Carnforth School's land and building's from ESFA. The value of the land and building's at Carnforth School have been retrospectively adjusted to be consistent with ESFA's valuation subsequently received.

