

Company Registration Number: 08922754 (England & Wales)

THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

**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

Members	P A Clayton J Cook P D Shoesmith
Trustees	A M Burkert ^{1,2} P A Clayton, Vice Chair of Trustees ^{1,2} J Cook ¹ V D Cranton, Headteacher ¹ P Edwards T Griffiths ² P D Shoesmith, Chair of Trustees ^{1,2} ¹ Member ² 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 2019**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. 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 the WR4 area of Worcester. Its academies have a combined pupil capacity of 718 and had a roll of 656 in the school census on 1 July 2019.

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. The Charitable Company operates under the names of The Black Pear Trust, The Black Pear Trust Teaching Alliance, The Black Pear Trust Catering, Hollymount School, and Carnforth School.

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

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £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	115

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	115
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	1,104	
Total pay bill	2,590,967	
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 Academy'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

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**TRUSTEES' REPORT (CONTINUED)
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or breach of trust or breach of duty of which they may be guilty in relation to the Academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy. The limit of this indemnity is unlimited.

TRUSTEES

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.

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.

Organisational 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
- 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

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between the Board of Trustees and Local Governing Bodies.

Finance and 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 nonvoting members as the Board of Trustees shall appoint. The committee may make recommendations for these appointments. The Principal, Head Teachers and Trust Business Manager 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.

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

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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 Business Managers, 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:

- 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.

The Trust Principal is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The 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.

Connected Organisations, including Related Party Relationships

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 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.

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This year the Trust Schools were awarded a research grant from Babcock International They have worked with Worcester University on research into the effective assessment to measure progress of Special Needs Children.

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

Carnforth school continues to share premises with the Fairfield Family Learning Centre. Black Pear Trust Catering provides the cafeteria Service for the Centre as the kitchen is also used to prepare the school meals. The caretakers are a shared resource.

The school playing field, changing rooms and the Multi Use Play Area are a shared facility with the Family Learning centre and Regency High School. There is a shared use agreement between the Local Authority, Regency High School the Learning Centre and Carnforth School.

The Trust continues to enjoy the support of Worcester Rotary Club who train and send in volunteers to help with reading provide dictionaries for Year 6 leavers and run photographic and verse speaking competitions. The Rotary Club this year have also hired school premises for some social functions.

OBJECTIVES AND ACTIVITIES

Objects and Aims

Our Vision

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

Growing Excellent learning communities together

We want the best of futures for all 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 and have high expectations of themselves and others.

We want our staff to be outward facing, to feel valued and to have the skills that enable them to contribute and have an impact on the success of the Trust schools.

Our Aims

Our vision is supported through our aims, which are:

- To cultivate and maintain high standards for all
- To help all schools succeed
- To invest in the development of our excellent staff
- To encourage positive relationships between all Trust schools and their communities
- To ensure financial stability
- To provide the best facilities, ensuring schools have excellent facilities and a safe environment

Our Core Values

Trustees agreed the following core values:

- **Pride**
- **Excellence**
- **Achievement**
- **Respect**

These are to be embedded throughout the curriculum of trust schools 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.

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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.

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 by Carnforth School included reading, assessment of SEND children and matched learning and feedback to children. Hollymount School also worked on assessment for SEND and the two schools worked collaboratively along with Worcester University. Hollymount worked in depth on the curriculum, expressive arts curriculum was a major curriculum content focus other subjects were addressed through language/vocabulary acquisition, PSHE and work on learning sequences matched to pupil need. This ensured that all major developments were threaded throughout improvement of the curriculum.

The schools continue to do standardisation and joint moderations together which gives them chance to have professional discussions on what age expected standards look like, they work collaboratively with other Worcestershire schools in this area supporting some and using others as confirmation of standards. Both Trust schools continued to focus on 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.

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.

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 Commissioner'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

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been working with Babcock, the local authority's commissioned school improvement service in supporting other schools within the Worcestershire area. Hollymount continues to run and commission professional development courses for other schools. This year we are proud to have been partnered with Early Excellence as a centre for Early Years Training. 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 again, this year, been allocated ITT placements through School Direct. The Trust continues its partnership with UCB for apprenticeship places.

The Trust continues to provide affordable wrap around care for the local community from 8.00am to 6.00 pm.

STRATEGIC REPORT

Achievements and Performance

Carnforth is in its third year of operation as an academy and pupil numbers have remained static. The total number of students in the year ended 31 August 2019 was 194 however pupil numbers continually fluctuate due to high mobility.

When benchmarked with other schools staffing 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). High safeguarding needs also impact on hours of senior staff needed.

This year Carnforth is pleased to have two teachers awarded SLE status.

Hollymount, now in its fifth year as an academy continues to be buoyant in numbers. The number on roll has increased from 378 Sept 1st 2018, to 440 projected for Sept 1st 2019. Hollymount has achieved Sports mark Gold and Primary Science Quality Mark – Outreach Science which is the highest award possible.

Annual Performance Data and Analysis

EYFS RESULTS												
	National				34.5	34.5	34.6	34.6	69%	71%	71%	71.8%
	Number of Eligible Pupils				Average Point Score				Good Level of Development			
	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
CARNFORTH	27	27	30	18	33.7	32.3	33	33.3	52%	59%	60%	61%
HOLLYMOUNT	46	45	53	52	31	34	31	33	54%	61%	60%	71%

Pleasing to see ongoing improvement for both schools, Hollymount is in line with National this year.

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PHONICS RESULTS YEAR 1								
	Number of Eligible Pupils at End of Y1				Phonics WA Y1			
	2016	2017	2018	2019	2016	2017	2018	2019
CARNFORTH	30	24	28	30	60%	63%	79%	73%
HOLLYMOUNT	38	44	45	53	82%	82%	82%	77%

Both schools lowered slightly this year; this was attributed to a higher percentage of SEND children in this cohort for both schools.

END OF KEYSTAGE 1 READING												
	National				74%	76%	75%	75%	24%	25%	26%	25%
	Number of Eligible Pupils at End of KS1				Reading EXS+				Reading GDS+			
	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
CARNFORTH	28	30	25	28	57%	67%	68%	71%	4%	13%	16%	14%
HOLLYMOUNT	57	39	51	45	98%	69%	69%	64%	18%	18%	20%	13%

END OF KEY STAGE 1 WRITING												
	National				66%	68%	70%	69%	13%	16%	16%	15%
	Number of Eligible Pupils at End of KS1				Writing EXS+				Writing GDS+			
	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
CARNFORTH	28	30	25	28	50%	63%	64%	64%	0%	3%	0%	11%
HOLLYMOUNT	57	39	51	45	60%	62%	61%	58%	7%	13%	12%	0%

END OF KEY STAGE 1 MATHS												
	National				73%	75%	76%	76%	18%	21%	22%	22%
	Number of Eligible Pupils at End of KS1				Maths EXS+				Maths GDS+			
	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
CARNFORTH	28	30	25	28	50%	67%	68%	71%	11%	7%	12%	14%
HOLLYMOUNT	57	39	51	45	72%	67%	73%	69%	18%	26%	18%	20%

END OF KEY STAGE 1 COMBINED									
	National				60%	64%	65%	65%	
	Number of Eligible Pupils at End of KS1				Combined EXS+				
	2016	2017	2018	2019	2016	2017	2018	2019	
CARNFORTH	28	30	25	28	43%	57%	60%	57%	
HOLLYMOUNT	57	39	51	45	58%	55%	56%	53%	

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END OF KEYSTAGE 2 READING												
	National %				73							
	Number of Eligible Pupils at End of KS2				Reading EXS+				Reading GDS+			
	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
CARNFORTH	25	26	19	19	28%	35%	68%	53%	0%	8%	5%	11%
HOLLYMOUNT	37	44	37	50	74	67	78	76	17	5	16	28

END OF KEYSTAGE 2 WRITING												
	National %				78							
	Number of Eligible Pupils at End of KS2				writing EXS+				writing GDS+			
	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
CARNFORTH	25	26	19	19	64%	65%	68%	68%	8%	12%	0%	11%
HOLLYMOUNT	37	44	37	50	71	79	78	80	6	17	14	18

END OF KEYSTAGE 2 MATHS												
	National %				79							
	Number of Eligible Pupils at End of KS2				maths EXS+				maths GDS+			
	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
CARNFORTH	25	26	19	19	44%	58%	68%	68%	0%	8%	0%	16%
HOLLYMOUNT	37	44	37	50	74	79	89	82	20	45	30	36

END OF KEY STAGE 2 COMBINED												
	National %				64							
	Number of Eligible Pupils at End of KS2				Combined EXS+							
	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
CARNFORTH	25	26	19	19	24%	31%	58%	53%				
HOLLYMOUNT	37	44	37	50	66	67	78	76				

PROGRESS FROM KEY STAGE 1 - 2												
	Reading Progress				Writing Progress				Maths Progress			
	All pupils				All pupils				All pupils			
	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
CARNFORTH	-7.7	-4.3	-3.1	+0.4	-0.3	-0.4	-1.7	+3.0	-3	-4.1	-1.5	+2.2
HOLLYMOUNT	+2.8	-2.3	+0.8	+1.9	+0.6	+1.4	+0.6	+1.3	+1.9	+3.65	+3.84	+2.7

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. At the end of August 2019, £51k of restricted funds were carried forward, together with £4,446k restricted fixed asset funds and £634k unrestricted funds. This is offset by the pension deficit of £2,140k leaving net assets at 31st August 2019 of £2,992k.

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As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for the Trust during 2018/19 for were 656, an increase of 28 over 2017/18. It is anticipated that this number will be maintained within the school settings.

Total revenue income for the year was above the forecast budget. This additional income can be attributed to consultancy work for School improvements at St Georges C of E Primary and Nursery School, additional nursery funding at Carnforth School, funding for ITT and School Direct trainee teachers.

The following KPI's were set at the start of the year for The Black Pear Trust:

	TARGET	ACTUAL
GAG carry forward %	0%	0%
Revenue income carry forward %	0%	4.5%
Pupil to teacher ratio	1: 15.2	1 : 18.2
Teaching to non-teaching staff ratio	1 : 0.94	1 : 0.83
Student attendance %	96%	95.23%
Total income per pupil	£5745	£5381
Total GAG per pupil	£4754	£4514
Ratio of GAG to total income	71.6%	69%
Staff costs per pupil	£4574	£4262
Ratio of staff costs to total income	76.02%	79.1%
Total learning resources costs per pupil	£488	£477
Spend per pupil for non-pay expenditure	£863	£995

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

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 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

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.

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During the year ended 31 August 2019, the Academy received total revenue income of £3,466k and incurred total expenditure of £3,267k (excluding pension). The excess of income over expenditure for the year was £219k after a net transfer of £20k to the restricted general fund. The level of carry forward free reserves was £634k.

At 31 August 2019 the net book value of fixed assets was £4,412k 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.

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 into the trust. In addition, the trust received a National Support Schools bursary to enable the Trust Principal a qualified NLE and eight SLE's to provide school improvement in other schools. It is expected that this support and funding will continue through 2019/20.

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 the Anti-Money Laundering, Anti-fraud and corruption, and Safeguarding Policies. The Trust procures the services of MBHS to oversee Health and Safety in both schools including updating the policy on an annual basis.

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. This equates to £200k, which is £434k less than the current level of free reserves. 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 £5,132k excluding the pension scheme liability, although £4,446k of this is invested in fixed assets. The remaining £686k (representing £634k unrestricted funds and £52k of unspent Academy Sponsor funds in Restricted Fund) 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 immediate access account. Where cash flow allows, sums in excess of £100,000 may be invested on deposit for extended periods.

Trustees are committed to ensuring that all funds under their controls are managed in such a way 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 BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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 79% of the Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, 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.

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 & Audit 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 26 to the financial statements, represents a significant potential liability. 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

Under the provisions of the Charities (Protection and Social Investment) Act 2016 the trustees have a duty to report information on fundraising practices.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trust does not, and has not, engaged in any formal fundraising efforts. However, the individual schools may raise funds for charities such as Children in Need. Donations raised in respect of external charities are recorded in the school accounting system, deposited into academy bank account and paid to the relevant charity via cheque, school credit card or bank transfer.

The Trust has never received a complaint in relation to charitable fundraising events and continues to protect all pupils from any unreasonably intrusive or persistent fundraising approaches either from within the academy or from external organisations.

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.

Plans for construction of a new Nursery were unable to go ahead as a bid for government funding failed. The Board of Trustees plan to support this project and the leadership team are looking for alternative sources of income. 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 Articles are due to change on September the 1st 2019 in order for the Trust to accept its first Church of England School – St Georges Primary School and Nursery.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

DISCLOSURE OF INFORMATION TO AUDITORS

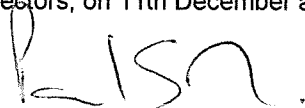
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

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

AUDITORS

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 11th December and signed on the board's behalf by:



P D Shoemith
Chair of Trustees

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

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of Trustees has delegated the day-to-day responsibility to the 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. The board of Trustees has formally met 4 times during the year. To ensure the Trustees have effective oversight of Funds, Management Accounts are shared with the Chair of Trustees and the Accounting Officer on a monthly basis. The CEO, on behalf of the trustees, and the trust finance officer meet on a weekly basis.

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
J Cook	4	4
V D Cranton, Headteacher	4	4
P Edwards	4	4
T Griffiths	1	4
P D Shoesmith, Chair of Trustees	4	4

During the year, six Trustees resigned from the Board of Trustees but remain on the local governing bodies of the trust schools. The Trust has completed a governance skills review and will recruit and provide training in any areas needed.

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

- To monitor and review monthly income and expenditure. Ensuring corrective action is taken where necessary within the overall financial plan for the schools and drawing any matters of concern to the attention of the Board of Trustees
- To consider the 3-year budget plan for the individual academies ready for approval by the Board of trustees
- To review and update the Financial Policy annually and recommended levels of delegation
- To oversee the development and management of the business information systems, the IT infrastructure and the physical assets of the Trust
- To receive the auditors' report and to recommend to the Board of Trustees action as appropriate in response to audit findings.
- 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 Board of trustees.
- To audit financial controls by way of internal assurance reports and ensure that recommendations are implemented.

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

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

- To benchmark school financial performance against similar schools and report to the Board of trustees
- To evaluate and present the annual statement of Internal Controls.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
A M Burkert	3	3
P A Clayton	3	3
T Griffiths	1	3
P D Shoemith	3	3

REVIEW OF VALUE FOR MONEY

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

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

- Benchmarking against similar academies using data provided by ESFA and the Auditors
- Using Crown Commercial Services for the procurement of the schools' utilities and the RPA scheme as an ESFA approved alternative to insurance
- Tracking restricted funding against pupil outcomes to ensure effective use of resources
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.
- Purchasing services and resources at a trust level to access economies of scale
- Sharing expertise and CPD opportunities within the trust and with cluster schools

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 on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Black Pear Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 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 BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

THE RISK AND CONTROL FRAMEWORK

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

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

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

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

- Examining and testing of control and bank accounts
- Examining and testing of the finance operation on income and expenditure
- Examining and testing of controls on payroll, reconciliation and payment
- Examining and reviewing trust regulation, policy and governance

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 Trustees' financial responsibilities.

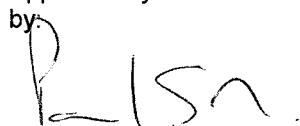
REVIEW OF EFFECTIVENESS

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 Academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and resources committee 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 11 December 2019 and signed on their behalf by:



P D Shoesmith
Chair of Trustees



V D Cranton
Accounting Officer

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

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Black Pear Trust I have considered my responsibility to notify the Academy 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, under the funding agreement in place between the Academy 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 2018.

I confirm that I and the Academy board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2018.

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
Date: 11 December 2019

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published 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:

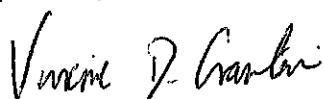
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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:



V D Cranton

Date: 19 December 2019

**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 2019 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 2019 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 2018 to 2019 issued by the Education & 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 (CONTINUED)**

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. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. 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 including the Strategic 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 including the Strategic 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.

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, 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.

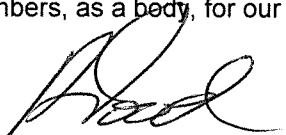
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

19 December 2019

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

INDEPENDENT REPORTING ACCOUNTANT'S 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 2018 to 2019, 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 2018 to 31 August 2019 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 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 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by 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.

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

**INDEPENDENT REPORTING ACCOUNTANT'S 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 suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has 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
1-3 College Yard
Worcester
WR1 2LB

Date: 19 December 2019

THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:						
Donations and capital grants:	4					
Transfer on conveyance		-	-	-	-	99,885
Other donations and capital grants		1,686	22,728	65,028	89,442	98,619
Charitable activities	5	315,202	2,970,963	-	3,286,165	3,080,222
Other trading activities	6	154,257	-	-	154,257	127,795
Investments	7	507	-	-	507	389
TOTAL INCOME		471,652	2,993,691	65,028	3,530,371	3,406,910
EXPENDITURE ON:						
Charitable activities	8	252,824	3,194,021	128,370	3,575,215	3,586,234
TOTAL EXPENDITURE		252,824	3,194,021	128,370	3,575,215	3,586,234
NET INCOME/(EXPENDITURE)		218,828	(200,330)	(63,342)	(44,844)	(179,324)
Transfers between funds	20	-	20,330	(20,330)	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		218,828	(180,000)	(83,672)	(44,844)	(179,324)
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial losses on defined benefit pension schemes	26	-	(603,000)	-	(603,000)	235,000
NET MOVEMENT IN FUNDS		218,828	(783,000)	(83,672)	(647,844)	55,676
RECONCILIATION OF FUNDS:						
Total funds brought forward		415,382	(1,305,143)	4,529,858	3,640,097	3,584,421
Net movement in funds		218,828	(783,000)	(83,672)	(647,844)	55,676

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
TOTAL FUNDS CARRIED FORWARD	<u>634,210</u>	<u>(2,088,143)</u>	<u>4,446,186</u>	<u>2,992,253</u>	<u>3,640,097</u>

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

The notes on pages 28 to 53 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	15	4,412,130	4,398,806
		<u>4,412,130</u>	<u>4,398,806</u>
CURRENT ASSETS			
Stocks	16	25,726	25,726
Debtors	17	182,676	138,137
Cash at bank and in hand		1,083,932	758,548
		<u>1,292,334</u>	<u>922,411</u>
Creditors: amounts falling due within one year	18	(572,211)	(324,120)
		<u>720,123</u>	<u>598,291</u>
NET CURRENT ASSETS		720,123	598,291
TOTAL ASSETS LESS CURRENT LIABILITIES		5,132,253	4,997,097
NET ASSETS EXCLUDING PENSION LIABILITY		5,132,253	4,997,097
Defined benefit pension scheme liability	26	(2,140,000)	(1,357,000)
TOTAL NET ASSETS		2,992,253	3,640,097
FUNDS OF THE ACADEMY			
Restricted funds:			
Fixed asset funds	20	4,446,186	4,529,858
Restricted income funds	20	51,857	51,857
		<u>4,498,043</u>	<u>4,581,715</u>
Restricted funds excluding pension asset	20	4,498,043	4,581,715
Pension reserve	20	(2,140,000)	(1,357,000)
		<u>2,358,043</u>	<u>3,224,715</u>
Total restricted funds	20	2,358,043	3,224,715
Unrestricted income funds	20	634,210	415,382
		<u>2,992,253</u>	<u>3,640,097</u>
TOTAL FUNDS		2,992,253	3,640,097

The financial statements on pages 24 to 53 were approved by the Trustees, and authorised for issue on 11 December 2019 and are signed on their behalf, by:


P D Shoemith
Chair of Trustees

The notes on pages 28 to 53 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 2019**

	Note	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	22	401,543	62,319
CASH FLOWS FROM INVESTING ACTIVITIES	23	(76,159)	106,220
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		325,384	168,539
Cash and cash equivalents at the beginning of the year		758,548	590,009
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24	<u>1,083,932</u>	<u>758,548</u>

The notes on pages 28 to 53 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 2019**

1. 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.

The financial statements cover the individual entity only.

2. 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.

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Black Pear Trust meets the definition of a public benefit entity under FRS 102.

2.2 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. ACCOUNTING POLICIES (continued)

2.3 INCOME

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. 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 year 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 grants are reflected in the Balance Sheet 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**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy has provided the goods or services.

• **Transfer on conversion**

Where assets and liabilities are received by the Academy on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

2.4 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 is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. ACCOUNTING POLICIES (continued)

2.5 INTEREST RECEIVABLE

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

2.6 TANGIBLE FIXED ASSETS

Assets costing £500 or more are capitalised as tangible fixed assets 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 equipment	- 50% Straight Line
Computer equipment	- 33% Straight Line
Motor vehicles	- 20% Straight Line

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

2.7 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.8 DEBTORS

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

2.9 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. ACCOUNTING POLICIES (continued)

2.10 LIABILITIES

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

2.11 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 bases 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 19. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 19. 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 instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

2.12 OPERATING LEASES

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

2.13 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

2. ACCOUNTING POLICIES (continued)

2.13 PENSIONS (CONTINUED)

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

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

2.14 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 the 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.

3. 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 2019. 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.

THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

4. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
DONATIONS					
Transfer on conversion	-	-	-	-	99,885
SUBTOTAL DETAILED DISCLOSURE	-	-	-	-	99,885
Donations	1,686	22,728	-	24,414	35,092
Capital Grants	-	-	65,028	65,028	63,527
SUBTOTAL	1,686	22,728	65,028	89,442	98,619
	1,686	22,728	65,028	89,442	198,504
TOTAL 2018	4,242	30,850	163,412	198,504	

5. FUNDING FOR THE ACADEMY'S EDUCATION - DIRECT COSTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant	-	2,447,114	2,447,114	2,365,983
Other DfE/ ESFA Capital grants	-	404,434	404,434	354,004
	-	2,851,548	2,851,548	2,719,987
Other Government grants				
High Needs	-	78,795	78,795	69,759
Other government grants non capital	-	40,620	40,620	8,461
	-	119,415	119,415	78,220
Other funding				
Sales to students	46,492	-	46,492	20,244
	46,492	2,970,963	3,017,455	2,818,451
TOTAL 2018	20,244	2,798,207	2,818,451	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	3,451	3,451	2,501
External catering	59,248	59,248	52,404
Consultancy	42,552	42,552	45,420
Fees received	15,600	15,600	364
Other	33,406	33,406	27,106
Nursery Income	268,710	268,710	261,771
	<u>422,967</u>	<u>422,967</u>	<u>389,566</u>

All income from other trading activities in 2018 was unrestricted.

7. INVESTMENT INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	507	507	389
	<u>507</u>	<u>507</u>	<u>389</u>

All income from investments in 2018 was unrestricted.

8. EXPENDITURE

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Education:					
Direct costs	2,471,382	106,547	128,319	2,706,248	2,539,714
Support costs	304,542	165,241	399,184	868,967	1,046,520
	<u>2,775,924</u>	<u>271,788</u>	<u>527,503</u>	<u>3,575,215</u>	<u>3,586,234</u>
TOTAL 2018	<u>2,711,711</u>	<u>248,410</u>	<u>626,113</u>	<u>3,586,234</u>	

THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Direct costs 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	2,706,248	868,967	3,575,215	3,586,234
TOTAL 2018	2,539,714	1,046,520	3,586,234	

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Pension finance costs	29,000	19,000
Staff costs	2,466,476	2,269,636
Depreciation	106,547	109,639
Educational supplies	14,074	46,364
Staff development	25,807	27,162
Other costs	55,366	63,140
Supply teachers	4,906	850
Technology costs	4,072	3,923
	2,706,248	2,539,714

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Pension finance costs	11,000	19,000
Staff costs	304,542	441,225
Depreciation	21,823	18,068
Educational supplies	-	1,644
Other costs	29,908	27,606
Maintenance of premises and equipment	53,844	25,000
Cleaning	4,520	4,757
Rent and rates	19,257	20,331
Energy costs	26,065	34,340
Insurance	35,230	32,309
Security and transport	32,273	32,352
Catering	102,582	86,621
Technology costs	435	8,304
Office overheads	47,956	31,349
Legal and professional	166,501	166,541
Bank interest and charges	141	162
Provision for potential repayments	-	86,906
Governance	12,890	10,005
	<u>868,967</u>	<u>1,046,520</u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	3,881	2,288
Depreciation of tangible fixed assets	128,370	127,707
Fees paid to auditors for:		
- audit	9,270	9,000
- other services	3,465	4,040
	<u>144,986</u>	<u>143,035</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

11. STAFF COSTS

a. STAFF COSTS

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	2,115,668	2,083,810
Social security costs	165,895	166,102
Pension costs	489,455	460,949
	<u>2,771,018</u>	<u>2,710,861</u>
Agency staff costs	4,906	850
	<u>2,775,924</u>	<u>2,711,711</u>

b. STAFF NUMBERS

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

	2019 No.	2018 No.
Teachers	34	40
Educational Support	37	37
Administration & Clerical	8	6
Premises	28	25
Management	8	9
	<u>115</u>	<u>117</u>

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	30	35
Educational Support	21	24
Administration & Clerical	5	4
Premises	12	10
Management	7	7
	<u>75</u>	<u>80</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

11. STAFF COSTS (CONTINUED)

c. HIGHER PAID STAFF

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	1	-

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 £263,425 (2018: £425,045).

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.

12. CENTRAL SERVICES

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

- Trust Staff Support
- Legal and Professional
- Marketing
- Strategic Governance
- Tendering and 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. This cost is based on 6% of GAG income.

The actual amounts charged during the year were as follows:

	2019	2018
	£	£
Hollymount school	82,059	59,760
Carnforth School	43,784	33,420
TOTAL	125,843	93,180

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

13. 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 £45,000 - £50,000 (2018: £50,000 - £55,000), employer's pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000); E Pritchard: remuneration £60,000 - £65,000 (2018: £55,000 - £60,000) employer's pension contributions £10,000 - £15,000 (2018: £5,000 - £10,000); S Wood: remuneration £45,000 - £50,000 (2018: £NIL), employer's pension contributions £5,000 - £10,000 (2018: £NIL) A Maciaszek-Skubinska: remuneration £NIL (2018: £10,000-£15,000), employer's pension contributions £NIL (2018: £NIL-£5,000).

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

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

14. 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.

15. TANGIBLE FIXED ASSETS

	Leasehold property £	Office equipment £	Computer equipment £	Motor vehicles £	Total £
COST OR VALUATION					
At 1 September 2018	4,527,696	158,500	101,478	43,545	4,831,219
Additions	-	104,778	36,916	-	141,694
At 31 August 2019	4,527,696	263,278	138,394	43,545	4,972,913
DEPRECIATION					
At 1 September 2018	205,323	117,383	86,845	22,862	432,413
Charge for the year	91,970	19,358	8,333	8,709	128,370
At 31 August 2019	297,293	136,741	95,178	31,571	560,783
NET BOOK VALUE					
At 31 August 2019	4,230,403	126,537	43,216	11,974	4,412,130
At 31 August 2018	4,322,373	41,117	14,633	20,683	4,398,806

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

16. STOCKS

	2019 £	2018 £
Goods for resale	<u>25,726</u>	<u>25,726</u>

17. DEBTORS

	2019 £	2018 £
Trade debtors	17,236	6,463
Other debtors	104	64
Prepayments and accrued income	119,602	86,819
VAT recoverable	45,734	44,791
	<u>182,676</u>	<u>138,137</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	174,312	58,008
Other taxation and social security	42,890	43,613
Other creditors	132,746	134,576
Accruals and deferred income	222,263	87,923
	<u>572,211</u>	<u>324,120</u>

	2019 £	2018 £
Deferred income at 1 September	38,366	20,776
Resources deferred during the year	112,113	38,366
Amounts released from previous periods	(38,366)	(20,776)
	<u>112,113</u>	<u>38,366</u>

THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. FINANCIAL INSTRUMENTS

	2019 £	2018 £
FINANCIAL ASSETS		
Financial assets that are debt instruments measured at amortised cost	<u>1,198,532</u>	<u>809,802</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	<u>(419,061)</u>	<u>(237,959)</u>

Financial assets that are debt instruments measured at amortised cost comprise cash at bank, trade debtors, and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, accrued expenditure and pension creditor.

THE BLACK PEAR TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. STATEMENT OF FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General Funds - all funds	415,382	471,652	(252,824)	-	-	634,210
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	-	2,447,114	(2,467,444)	20,330	-	-
High Needs	-	78,795	(78,795)	-	-	-
Pupil Premium	-	320,722	(320,722)	-	-	-
UIFSM	-	68,828	(68,828)	-	-	-
Trips	-	22,728	(22,728)	-	-	-
Other grants	-	55,504	(55,504)	-	-	-
Academy sponsorship funds	51,857	-	-	-	-	51,857
Pension reserve	(1,357,000)	-	(180,000)	-	(603,000)	(2,140,000)
	(1,305,143)	2,993,691	(3,194,021)	20,330	(603,000)	(2,088,143)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	4,242,812	-	(120,236)	-	-	4,122,576
Fixed assets purchased from GAG	24,908	-	(706)	(20,330)	-	3,872
DfE/ESFA Capital grants	36,755	37,918	(1,042)	-	-	73,631
Nursery Capital grants	594	-	(17)	-	-	577
Other Capital grants	21,800	25,000	(618)	-	-	46,182
Condition Improvement Fund (CIF)	31,298	-	(887)	-	-	30,411
Unrestricted fixed assets	153,591	-	(4,353)	-	-	149,238

THE BLACK PEAR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Healthy pupil capital grant	18,100	2,110	(511)	-	-	19,699
	<u>4,529,858</u>	<u>65,028</u>	<u>(128,370)</u>	<u>(20,330)</u>	<u>-</u>	<u>4,446,186</u>
TOTAL RESTRICTED FUNDS	<u>3,224,715</u>	<u>3,058,719</u>	<u>(3,322,391)</u>	<u>-</u>	<u>(603,000)</u>	<u>2,358,043</u>
TOTAL FUNDS	<u><u>3,640,097</u></u>	<u><u>3,530,371</u></u>	<u><u>(3,575,215)</u></u>	<u><u>-</u></u>	<u><u>(603,000)</u></u>	<u><u>2,992,253</u></u>

**THE BLACK PEAR TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. STATEMENT OF FUNDS (CONTINUED)

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.

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

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 it could carry forward at 31 August 2019.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Hollymount School	571,915	436,417
Carnforth School	114,152	30,822
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	686,067	467,239
Restricted fixed asset fund	4,446,186	4,529,858
Pension reserve	(2,140,000)	(1,357,000)
	<hr/>	<hr/>
TOTAL	2,992,253	3,640,097
	<hr/> <hr/>	<hr/> <hr/>

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Hollymount School	1,641,621	163,709	4,556	393,763	2,203,649	2,266,211
Carnforth School	693,666	136,783	9,518	223,229	1,063,196	1,060,840
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	2,335,287	300,492	14,074	616,992	3,266,845	3,327,051
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**THE BLACK PEAR TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. STATEMENT OF FUNDS (CONTINUED)

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS					
General Funds	370,705	414,441	(369,764)	-	415,382
RESTRICTED GENERAL FUNDS					
General Annual Grant (GAG)	42,157	2,372,779	(2,414,936)	-	-
High Needs	-	69,759	(69,759)	-	-
Pupil Premium	-	293,930	(293,930)	-	-
UIFSM	-	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	28,388	-	(3,480)	-	24,908
DfE/ESFA Capital grants	30,291	14,129	(7,665)	-	36,755
Nursery Capital grants	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 grant	-	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>

**THE BLACK PEAR TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2018 £
TOTAL 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>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	4,412,130	4,412,130
Current assets	633,012	595,277	64,045	1,292,334
Creditors due within one year	1,198	(543,420)	(29,989)	(572,211)
Provisions for liabilities and charges	-	(2,140,000)	-	(2,140,000)
TOTAL	<u>634,210</u>	<u>(2,088,143)</u>	<u>4,446,186</u>	<u>2,992,253</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	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)
TOTAL	<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 2019**

22. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(44,844)	(179,324)
ADJUSTMENTS FOR:		
Depreciation	128,370	127,707
Capital grants from DfE and other capital income	(65,028)	(163,412)
Interest receivable	(507)	(389)
Defined benefit pension scheme cost less contributions payable	140,000	87,000
Defined benefit pension scheme finance cost	40,000	38,000
Decrease/(increase) in stocks	-	(2,037)
(Increase)/decrease in debtors	(44,539)	41,782
Increase in creditors	248,091	112,992
NET CASH PROVIDED BY OPERATING ACTIVITIES	401,543	62,319

23. CASH FLOWS FROM INVESTING ACTIVITIES

	2019 £	2018 £
Interest received	507	389
Purchase of tangible fixed assets	(141,694)	(57,581)
Capital grants from DfE Group	65,028	163,412
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	(76,159)	106,220

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	1,083,932	758,548
TOTAL CASH AND CASH EQUIVALENTS	1,083,932	758,548

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

25. CAPITAL COMMITMENTS

	2019	2018
	£	£
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS		
Acquisition of tangible fixed assets	29,989	-

26. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teachers' 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 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 £41,858 were payable to the schemes at 31 August 2019 (2018 - £42,414) and are included within creditors.

TEACHERS' PENSION SCHEME

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed 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.

26. PENSION COMMITMENTS (CONTINUED)

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 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was prepared by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% 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 £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%)

The employer's pension costs paid to TPS in the year amounted to £143,731 (2018 - £216,204).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £201,000 (2018 - £196,000), of which employer's contributions totalled £156,000 (2018 - £157,000) and employees' contributions totalled £ 45,000 (2018 - £39,000). The agreed contribution rates for future years are 5.5-12.5 per cent for employers and 16.4 per cent 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.

THE BLACK PEAR TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

26. PENSION COMMITMENTS (CONTINUED)

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.55	3.60
Rate of increase for pensions in payment/inflation	2.15	2.80
Discount rate for scheme liabilities	1.80	2.80
Inflation assumption (CPI)	2.05	2.10

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	22.8	22.7
Females	25.8	25.7
<i>Retiring in 20 years</i>		
Males	25.1	24.9
Females	28.2	28.0

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

	At 31 August 2019	At 31 August 2018
	£	£
Equities	663,000	575,000
Government bonds	71,000	59,000
Other bonds	56,000	34,000
Property	28,000	35,000
Cash and other liquid assets	72,000	15,000
Other	47,000	26,000
TOTAL MARKET VALUE OF ASSETS	937,000	744,000

The actual return on scheme assets was £36,000 (2018 - £40,000).

**THE BLACK PEAR TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

26. PENSION COMMITMENTS (CONTINUED)

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

	2019 £	2018 £
Current service cost	(239,000)	(244,000)
Past service cost	(57,000)	-
Interest income	24,000	12,000
Interest cost	(61,000)	(50,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(333,000)	(282,000)

Changes in the present value of the defined benefit obligations were as follows:

	2019 £	2018 £
AT 1 SEPTEMBER	2,101,000	1,999,000
Current service cost	239,000	244,000
Interest cost	61,000	50,000
Employee contributions	45,000	39,000
Actuarial (gains)/losses	614,000	(209,000)
Benefits paid	(40,000)	(22,000)
Past service costs	57,000	-
AT 31 AUGUST	3,077,000	2,101,000

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2019 £	2018 £
AT 1 SEPTEMBER	744,000	532,000
Interest income	24,000	15,000
Actuarial gains	11,000	26,000
Employer contributions	156,000	157,000
Employee contributions	45,000	39,000
Benefits paid	(40,000)	(22,000)
Admin expense	(3,000)	(3,000)
AT 31 AUGUST	937,000	744,000

**THE BLACK PEAR TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

27. OPERATING LEASE COMMITMENTS

At 31 August 2019 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£	£
Not later than 1 year	4,369	2,288
Later than 1 year and not later than 5 years	3,481	1,144
	<u>7,850</u>	<u>3,432</u>

28. 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.

29. 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 13.

Owing to the nature of the Academy'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's financial regulations and normal procurement procedures.