

EXCEED ACADEMIES TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL
STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST
2017

EXCEED ACADEMIES TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE PERIOD ENDED 31 AUGUST 2017

Members

B Fitzpatrick (appointed 2 April 2016)
G Johnson (appointed 2 April 2016)
H Roberts (appointed 2 April 2016)
J Bracewell (appointed 5 April 2017)
D Smith (appointed 5 April 2017)

Trustees

T Evans, Chair (appointed 2 April 2016)
S Wike (appointed 2 April 2016, resigned 31 July 2017)
T Morrison (appointed 8 March 2016, resigned 3 April 2016)
S Mahmood (appointed 2 April 2016)
D Jacques, Chief Executive (appointed 2 April 2016)
N Hussain (appointed 2 April 2016)

Company registered number

10050238

Company name

Exceed Academies Trust

Principal and registered office

Horton Park Primary School, Dawnay Road, Bradford, West Yorkshire, BD5 9LQ

Company secretary

J Barr

Chief executive officer

D Jacques

Senior management team

D Jacques, Chief Executive Officer
S Rahman, Headteacher at Horton Park Primary School
C Shepherd, Headteacher at Copthorne Primary School
C Stephenson, Headteacher at Horton Grange Primary School
H Jones, Principal at Appleton Academy
P Butler, Head of Teaching School
K Gerrard, Head of Initial Teacher Education
S Murray, Chief Finance Officer
R Bottomley, Chief Operating Officer
M Sorial, Chief HR Officer
A Zafar, Trust Strategic Business Manager

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2017

Advisers (continued)

Independent auditors

BHP LLP, 1st Floor, Mayesbrook House, Leeds, LS16 6QY

Bankers

Lloyds Bank, 45 Hustlergate, Bradford, BD1 1NT

Solicitors

Rollits LLP, Citadel House, 58 High Street, Huli, HU1 1QE

EXCEED ACADEMIES TRUST
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TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 8 March 2016 to 31 August 2017. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies on pages 25 to 51 of the attached financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 2006, and the requirements of 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 (FRS102) (Effective 1 January 2015) (SORP 2015).

During the period the trust consisted of three primary academies for pupils aged 2 to 11 serving a catchment area of west Bradford. From 1 September 2017 Appleton Academy, an all through academy for pupils aged 3 to 18, joined the trust and the combined trust has a pupil capacity of 3,140 and had a roll of 2,979 in the school census in October 2017.

Structure, governance and management

a. Constitution

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

The Articles of Association require the members of the charitable company to appoint at least three members to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Trust. The trustees of Exceed Academies Trust are directors of the charitable company for the purposes of company law.

Details of the Trustees who served during the period are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

The Trust board currently consists of up five trustees to be appointed by the members. There is currently one vacancy on the board of trustees. Co-opted trustees may also be appointed to the board by the trustees themselves.

All trustees are appointed for a period of four years. Subject to remaining eligible any trustee may be reappointed or re-elected at a General Meeting.

d. Policies and procedures adopted for the induction and training of Trustees

All new trustees are inducted through an internal programme of ongoing mentoring (with an experienced Trustee and the Clerk to the board).

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

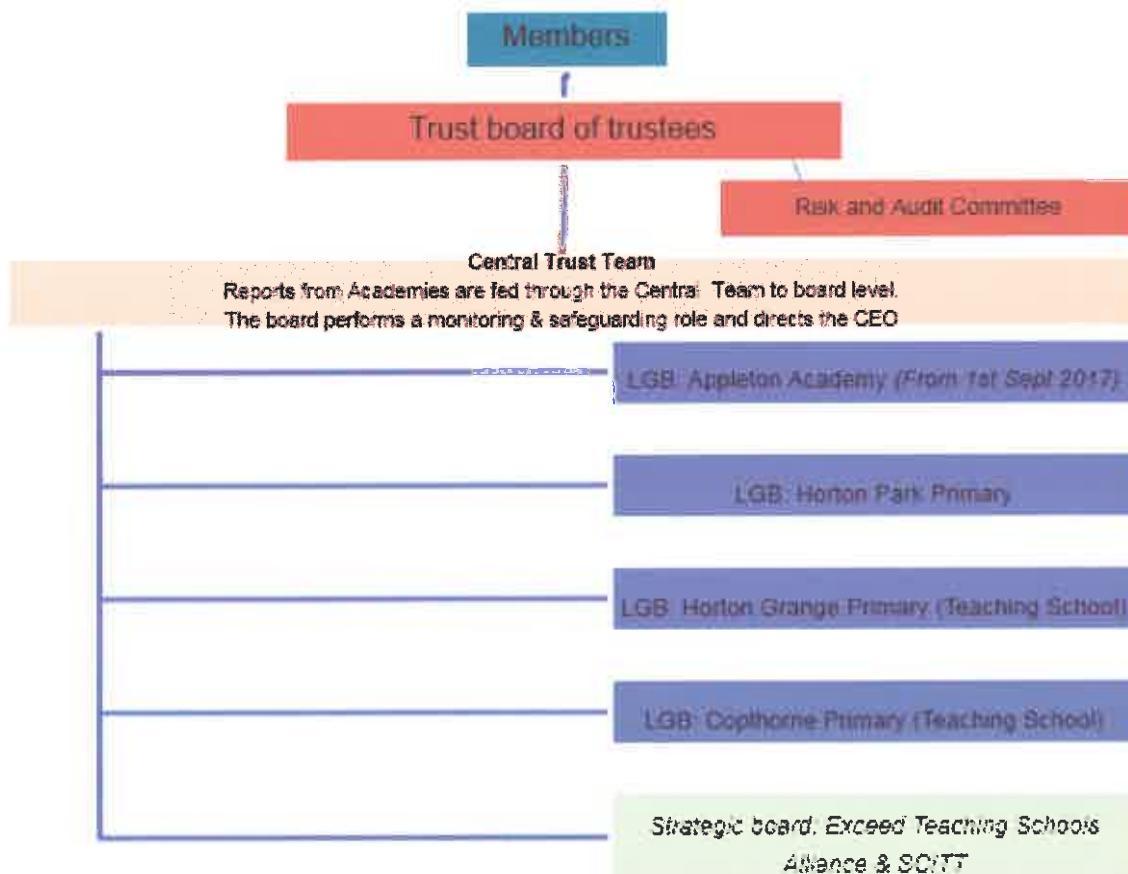
New trustees are sent an induction pack including but not limited to:

- DfE Governance Handbook
- Academies Financial Handbook
- DfE Governance Competency Framework
- The Essential Trustee (published by the Charities Commission)
- Trustee Code of Conduct
- Calendar of meeting dates/times
- Details of the schools within the MAT

Trustees are encouraged to become familiar with the trust website and to look at the websites of the individual academies within the trust so as to become familiar with the settings they are responsible for.

e. Organisational structure

The management and organisational structure consists of



The management and organisation structure consists of four levels: The Trust Members (currently 3 with capacity for 5), board of trustees (currently 5), Risk and Audit subcommittee, Local Governing Bodies and the leadership teams within the

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TRUSTEES' REPORT (continued)

FOR THE PERIOD ENDED 31 AUGUST 2017

Trust and academies. The aim of this structure is to dissolve accountability and responsibility and encourage involvement in decision making at all levels.

The role of the board of trustees will be to ensure:

- Compliance with all statutory regulations and Acts of Parliament governing the operation of the school, including health and safety.
- Compliance with the provisions of the Funding Agreements.
- Compliance with the Academies Financial Handbook.
- Setting the risk management strategy, reviewing the strategic risk profile, considering strategic risks in the context of future Trust planning and decision making and reviewing the effectiveness of the risk management arrangements.

The board of trustees, delegate responsibility to the Chief Executive Officer:

- Determination of the educational targets of the school in consultation with the Local Governing board.
- Determination of any statutory policies and procedures for the school and other policies and procedures as the trustees deem necessary to fulfil their responsibilities.
- Identifying resources to effectively and efficiently implement the risk management strategy.
- Reporting regularly to the Trust board on the performance of its schools and conduct the appraisals of the Headteachers in conjunction with representatives of the relevant Local Governing board.
- Performs the role of Accounting Officer for the Trust

The role of the Local Governing Bodies is to:

- To carry forward the Trust's vision, in a way appropriate to the specific qualities and community characteristics of each school.
- Implementation of actions required to comply with statutory regulations and the Funding Agreements.
- Implementation of the Trust policies.
- Holding school leadership to account for academic performance, quality of care and quality of provision.
- Consideration of the school's required funding and support to the trustees in relation to the annual budgetary process. Following Local Governing board approval, the budget is to be submitted to the trustees for approval and, for the avoidance of doubt, the school budget shall not be effective until such times it has been approved by the trustees.
- Keep under review the school risk register and seek assurance that risk management is effective.
- Monitoring local HR activity and policy, including the process for local performance reviews for members of staff.

The academy's Senior Leadership Teams comprise of the Headteachers, Deputy Headteachers (Primary) and Principals and Vice Principals (Secondary). These leaders control the academies at an operational level implementing the policies laid down by the trustees and / or governors and reporting back to them regularly. A scheme of delegation is in place across the Trust to ensure consistent levels of authorisation of expenditure are in place.

The board of trustees also has a subcommittee to review Risk and Audit functions. This committee met on one occasion and had 2 members, one of whom was a Director on the board of trustees, the other a member. Both of these members are independent of any of the academies.

f. Arrangements for setting pay and remuneration of key management personnel

The Members consider the board of trustees and the senior management team comprising of the key management personnel of the Trust to be in charge of directing and controlling, running and operating the Trust on a day to day basis.

The salary for the Chief Executive Officer of the trust is set and reviewed by the chair of trustees in line with external

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

advice and in accordance with School Teachers Pay and Conditions Document (STPCD).

The salaries for key management personnel will be set by the Chief Executive Officer of the trust in consultation with the trustees. Salaries for head teachers will be set in line with STPCD as well as Exceed Academies Trust own pay.

Objectives and Activities

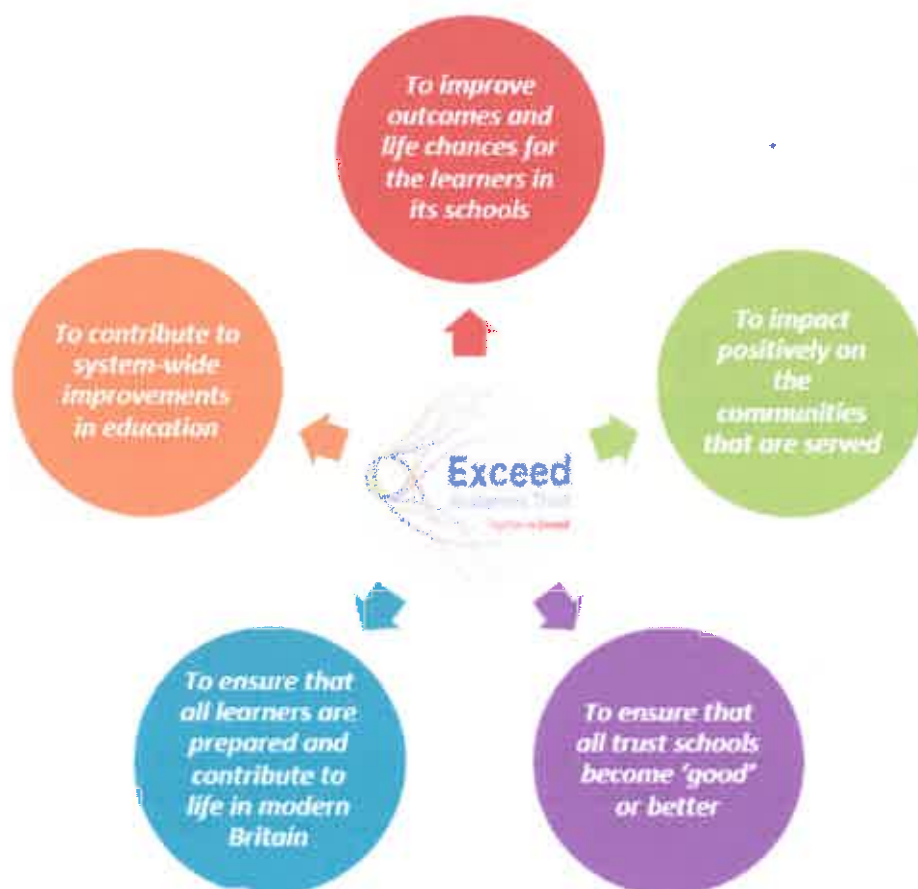
a. Objects and aims

The principal object and activity of Exceed Academies Trust to advance for the public benefit education for pupils of difference abilities between the ages of 2 and 19 years.

In accordance with the Articles of Association the charitable company has entered into a Master Funding Agreement approved by the Secretary of State for Education.

The Master Funding Agreement specifies, amongst other things, the basis for admitting pupils to the Academies, the catchment area from which the pupils are drawn, and that the curriculum should be broad and balanced and relevant to the needs and aspirations of all our learners.

Through consultation with our Members, trustees, Local governors and of course our schools, we have created a set of core values for Exceed Academies Trust:



Our core educational vision is to provide an outstanding school experience for all. Our schools aim to be inclusive, high achieving and ones in which our learners, staff and the wider community strive to 'see what's possible'.

Our tagline is simple: 'Together we Exceed'.

The values that underpin our beliefs and actions are summarized in this word art which features in the Exceed board room. In summary:

- We put children first in everything – our actions, decision making, daily processes,
- We promote diversity, empowerment, partnerships and equality,
- We all believe that we have a moral purpose to do what we do on a daily basis,
- We are passionate about raising standards and outcomes by instilling a culture of high performance, expectations and accountability.



During the period Exceed Academies Trust consisted of three founding high-performing primary schools: Copthorne, Horton Grange and Horton Park which also included the Exceed Teaching School. In September 2017 Exceed Academies Trust launched the Exceed SCITT (School Centred Initial Teacher Training) and Appleton Academy (all through school) joined the trust via a re-brokerage agreement.

b. Public benefit

When setting the objectives of the charitable company for the year the trustees of Exceed Academies Trust have given careful consideration to the Charities Commission guidance on public benefit.

Strategic report

Achievements and performance

The following data dashboard provides an overview of the key data collected at the January Census for Horton Park Primary, Horton Grange Primary and Copthorne Primary.

Contextual Data:



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

Pupils on Roll: 1,673

%Girls: 48.2% **%FSM: 23.1%** **%EAL: 90.9%** **%SEN Supp: 16.9%**

%Boys: 51.8% **%PP: 26.2%** **%BNE: 90.2%** **%EHC Plan: 0.9%**



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

a. Going concern

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

b. Key performance indicators

Currently Exceed Academies Trust consists of two outstanding schools (Horton Grange Primary and Coptorne Primary) and one Good school (Horton Park Primary). From 1 September 2017 Appleton Academy joined the trust who Ofsted graded as Requires Improvement. It is the Trust's aims to ensure all our schools are Good or Outstanding and this will be a key focus for the trustees.

All of the academies key performance indicators relating to pupil outcomes and other key measures are set out each year by trustees. These are monitoring on a half-termly basis via a Headteachers report to the trustees and governors.

Key financial performance indicators are set out each year with the academies relating to key measures, such as staffing percentages being below 80% of GAG, consistently reviewing percentage spends on non-staff costs expenditure, maintain pupil to teacher ratios across our schools and monitoring staff absence.

All of these are reported to the trustees throughout the year.

Financial review

a. Reserves policy

The trustees review the reserve levels of the Trust 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 have determined that an appropriate level of free reserves should be sufficient to cover immediate and forthcoming financial commitments (payroll and payment runs) and sufficient contingency (cash buffer) for unexpected payments. Sufficient contingency (cash buffer) is deemed to be £20k for the first year of operation and will increase as the Academy grows.

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.

At the end of the period the trust has £582k of free reserves. As this is the first year of operation for the trust this includes the surplus transferred from the local authority which will be invested in the pupils over the next few years. Some of the free reserves balance will be retained by the trust whilst there is uncertainty over future funding levels.

The Trustees will review the balance of free reserves on an annual basis to ensure it is deemed adequate to meet the needs of the trust.

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

b. Financial report for the period

During the period ended 31 August 2017, total income of £17.7m was recognised. A large proportion of this income is the value of the land and buildings at the three primary schools under long terms leases transferred from the Local Authority on conversion of £11.3m which is treated as restricted fixed asset fund.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Most of the Trust's regular income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Total expenditure amounting to £6.7m was incurred resulting in an overall surplus of £11.0m, after taking into account the LGPS deficit of £1.6m which was introduced in the year.

c. Investment policy

The Trust has an Investment policy which is reviewed annually and approved by the board of trustees to provide a means to ensure:

- a. The Trust can meet its commitments;
- b. To ensure that sufficient sums are available at short notice or no notice to meet foreseeable requirements;
- c. To earn an acceptable rate of return on surplus funds without undue risk;
- d. To spread risk between differing types of investment and institutions.

A return on working capital should be optimised whilst allowing easy access of the funds. In balancing risk against return the Trust policy is clearly geared towards avoiding risk than to maximising return.

d. Principal risks and uncertainties

The trust has recently invested considerable time establishing its Risk Register using the Calqrisk software to identify and monitor the key risks of the trust. Reports will be presented at each Audit and Risk Committee meeting.

The main risks of the Trust have been identified:

• **Expansion of the trust and maintaining standards in founding schools**

As the trust expands and resources are stretched it is of key importance that standards within the three founding academies are maintained and outcomes for its pupils remain high.

• **Failing to improving sponsored academies**

As the trust takes on its first two sponsored academies in the 2017/18 academic year there is a risk the trust has little or no impact on the standards within these schools, leading to reputational damage of the trust.

• **Introduction of the National Funding Formula**

The trust has considerable reliance on continued government funding from ESFA. There is continued uncertainty around funding levels under the proposed National Funding Formula and there is no assurance that policy or

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

practice will remain the same or will continue at the same levels. This makes budgeting and forecasting for the future difficult but the trust is establishing robust financial plans and building up of reserves to support it through potentially more difficult financial periods.

This is mitigated as the three founding academies within the trust are full or oversubscribed and the trust is working consistently to ensure the standards remain high and demand for places is sustained.

Exceed Academies Trust has appointed BHP as its Internal Auditors to further develop and embed the system of internal controls, designed to protect the Trust's assets and reputation.

Reports of their findings have been reported to the Audit and Risk Committee who were monitoring all recommendations to ensure they are put into practice as soon as possible to provide independent assurance to the board that controls have been adequately designed and complied with.

Plans for future periods

a. Future developments

The Trust plans to continue to grow with Appleton Academy joining the trust on 1 September 2017 and Holybrook Primary from 1 December 2017. The trust wishes to attract a combination of good and outstanding schools to join out trust which will allow us to sponsor further academies in need of school improvement.

Growth will be managed at a sustainable pace based and will continue to build upon economy and effectiveness established in the formation of the trust from December 2016. The central head office team is now adequately resourced to allow these efficiencies to be identified and realised.

The Teaching School and SCITT will continue to develop and increase our offering to our members. We are excited to launch the Leeds SCITT hub from September 2018 in partnership with Leeds Trinity University.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have 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 charitable company's auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 13 December 2017 and signed on its behalf by:



T Evans
Chair of Trustees



D Jacques, Chief Executive
Chief Executive

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GOVERNANCE STATEMENT

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Exceed Academies 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 Chief Executive, 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 Exceed Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meetings attended	Out of a possible
T Evans, Chair	4	4
S Wike	2	3
T Morrison	0	0
S Mahmood	4	4
D Jacques, Chief Executive	4	4
N Hussain	3	4

All trustees were appointed in the period once the trust was incorporated. The Terms of Reference for the board of trustees have been approved at the meeting.

A Financial Management and Governance review took place at the trustees meeting in May 2017 and this will be followed up in the 2017/18 academic year to ensure the board has the necessary skills and experience to fulfil the work of the expanding trust.

All directors and governors are expected to attend appropriate training sessions during the year.

A Financial Management and Governance review took place at the trustees meeting in May 2017 and this will be followed up in the 2017/18 academic year to ensure the board has the necessary skills and experience to fulfil the work of the expanding trust.

All directors and governors are expected to attend appropriate training sessions during the year.

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GOVERNANCE STATEMENT (continued)

Risk & Audit Committee

During the period the board of trustees established an Audit and Risk Committee, which is a sub-committee of the main board of trustees. Its purpose is to:

1. To support the board in ensuring a framework is established and maintained for the identification and management of risk
2. To monitor and assess the internal controls of the Exceed Academies Trust to ensure the Trust is operating at appropriate levels of risk and compliance with audit requirements.
3. To take responsibility for all external and internal audit matters
4. To review the effectiveness of risk management, control and governance arrangements of the Trust

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
G Johnson, Chair	1	1
T Evans	1	1

Review of Value for Money

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

The Accounting Officer considers how the 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:

- Financial governance and oversight

The trust places a high emphasis on the competency and experience of its trustees and will now be reviewing this after its first period of operation to ensure there is continued sufficient coverage of skills to challenge areas especially concerning finance.

The Trust benefits from the provision of an independent internal audit service who report to the board of trustees on all financial systems and procedures

The trust has also received support throughout its first period of operation from its external auditors on compliance and accounting practices.

- Creating efficiencies

The establishment of the MAT has given the trust to opportunity to streamline suppliers and a number of contracts. During the period this has included the establishment of group contracts for security, grounds maintenance, staff absence management software amongst others. This has realised savings for all academies within the academies therefore having more funds available for resources for the pupils. During 2017/18 this practice will continue led by the central team.

GOVERNANCE STATEMENT (continued)

- **Maximising income generation**

During the year the trust has explored every opportunity to maximise income and has been able to bid for funding to enhance the educational provision and facilities for its pupils

- **Recruitment of skilled central team within the trust**
To allow the trust to grow successfully it was identified additional specialist skills were required and from 1 September a Chief Finance Officer and Chief HR Officer were employed by the trust. This has reduced the need for expensive consultants, and builds on the skills of the existing trust staff, allowing the trust to develop consistent, effective procedures and oversight from the centre.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 Exceed Academies Trust for the period 8 March 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the 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 period 8 March 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The 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 board 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 to appoint BHP LLP as internal auditor to the Trust and undertake a scope of work as directed by the Audit and Risk Committee across all parts of the Trust .

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GOVERNANCE STATEMENT (continued)

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems.

During the year reviews have taken place on the key financial controls across the different locations the trust operates from.

On a termly basis, the internal auditor reports to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of Effectiveness

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

- the work of the internal auditor;
- 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 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 13 December 2017 and signed on their behalf, by:



T Evans
Chair of Trustees



D Jacques
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Exceed Academies Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



D Jacques
Accounting Officer

Date: 13 December 2017

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

The Trustees (who act as governors of Exceed Academies Trust and 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 Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 on 13 December 2017 and signed on its behalf by:



T Evans
Chair of Trustees

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EXCEED ACADEMIES TRUST

We have audited the financial statements of Exceed Academies Trust for the period ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2016 to 2017 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditors

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

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

EXCEED ACADEMIES TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF EXCEED ACADEMIES TRUST

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

MJP WJ

Michael Jackson (Senior statutory auditor)

for and on behalf of

BHP LLP

Chartered Accountants
Statutory Auditor

1st Floor
Mayesbrook House
Leeds

LS16 6QY

Date: *17 December 2017*

EXCEED ACADEMIES TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO EXCEED ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 17 August 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Exceed Academies Trust during the period 8 March 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Exceed Academies Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Exceed Academies Trust's funding agreement with the Secretary of State for Education dated 01 December 2016, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 8 March 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

EXCEED ACADEMIES TRUST
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 8 March 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

BHP LLP

Michael Jackson

BHP LLP

Chartered Accountants
Statutory Auditor

1st Floor
Mayesbrook House
Leeds
LS16 6QY

Date: *17 December 2017*

EXCEED ACADEMIES TRUST
(A company limited by guarantee)

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

	Note	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Income from:					
Donations & capital grants:					
Transfers from Local Authority on conversion	2	807	(1,286)	11,360	10,881
Other donations and capital grants	2	-	5	30	35
Charitable activities	3	28	6,345	-	6,373
Teaching schools	4	-	85	-	85
Other income	5	191	92	-	283
Total income		1,026	5,241	11,390	17,657
Expenditure on:					
Teaching schools		-	165	-	165
Charitable activities		106	6,289	144	6,539
Total expenditure	6	106	6,454	144	6,704
Net income / (expenditure) before transfers					
Transfers between Funds	19	920 (338)	(1,213) 130	11,246 208	10,953 -
Net income / (expenditure) before other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	24	-	(95)	-	(95)
Net movement in funds		582	(1,178)	11,454	10,858
Reconciliation of funds:					
Total funds brought forward		-	-	-	-
Total funds carried forward		582	(1,178)	11,454	10,858

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

EXCEED ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 10050238

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£000	2017 £000
Fixed assets			
Tangible assets	15		11,454
Current assets			
Debtors	16	549	
Cash at bank and in hand		1,976	
		<u>2,525</u>	
Creditors: amounts falling due within one year	17	<u>(1,504)</u>	
Net current assets			<u>1,021</u>
Total assets less current liabilities			<u>12,475</u>
Defined benefit pension scheme liability	24		<u>(1,617)</u>
Net assets including pension scheme liabilities			<u><u>10,858</u></u>
Funds of the academy			
Restricted income funds:			
Restricted income funds	19	439	
Restricted fixed asset funds	19	11,454	
		<u>11,893</u>	
Restricted income funds excluding pension liability			
Pension reserve		<u>(1,617)</u>	
Total restricted income funds			<u>10,276</u>
Unrestricted income funds	19		<u>582</u>
Total funds			<u><u>10,858</u></u>

The financial statements on pages 25 to 51 were approved by the Trustees, and authorised for issue, on 13 December 2017 and are signed on their behalf, by:



T Evans
Chair of Trustees

EXCEED ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2017

	Note	2017 £000
Cash flows from operating activities		
Net cash provided by operating activities	21	1,200
		<hr/>
Cash flows from investing activities:		
Purchase of tangible fixed assets		(237)
Capital grants from DfE/ESFA		30
		<hr/>
Net cash used in investing activities		(207)
		<hr/>
Cash received from Local Authority on conversion		983
		<hr/>
Net cash provided by financing activities		983
		<hr/>
Change in cash and cash equivalents in the period		1,976
Cash and cash equivalents brought forward		-
		<hr/>
Cash and cash equivalents carried forward	22	1,976
		<hr/> <hr/>

All of the cash flows are derived from acquisitions in the current financial period.

EXCEED ACADEMIES TRUST
(A company limited by guarantee)

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

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Exceed Academies Trust constitutes a public benefit entity as defined by FRS 102.

The financial statements are reported in sterling and rounded to the nearest £.

1.2 Company status

The academy is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 Going concern

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

EXCEED ACADEMIES TRUST
(A company limited by guarantee)

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

1. Accounting Policies (continued)

1.4 Income

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1. Accounting Policies (continued)

1.5 Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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:

L/Term Leasehold Property	=	2% straight line
Motor vehicles	=	25% straight line
Fixtures and fittings	=	20% straight line
Computer equipment	=	25% straight line
Software	=	25% reducing balance

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

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

1. Accounting Policies (continued)

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.8 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.

1.9 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.

1.10 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 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 basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. 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 costs as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

EXCEED ACADEMIES TRUST
(A company limited by guarantee)

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

1. Accounting Policies (continued)

1.12 Taxation

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

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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

1. Accounting Policies (continued)

1.14 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Horton Park Primary School, Horton Grange Primary School and Copthorne Primary School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 23.

1.15 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 Department for Education where the asset acquired or created is held for a specific purpose.

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

1.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

EXCEED ACADEMIES TRUST
(A company limited by guarantee)

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

2. Income from donations and capital grants

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Transfers from Local Authority on conversion	807	(1,286)	11,360	10,881
Donations	-	5	-	5
Devolved capital grants	-	-	30	30
	807	(1,281)	11,390	10,916

3. Funding for Academy's educational operations

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000
DfE/ESFA grants			
General Annual Grant	-	4,954	4,954
Other DfE/EFA grants	-	780	780
	-	5,734	5,734
Other government grants			
Other government grants non capital	-	602	602
	-	602	602
Other funding			
Other	28	9	37
	28	9	37
	28	6,345	6,373

EXCEED ACADEMIES TRUST
(A company limited by guarantee)

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

4. Teaching Schools

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000
Teaching Schools income	-	85	85

5. Other incoming resources

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000
Catering income	-	92	92
Other income self generated	17	-	17
Lettings income	13	-	13
Salary recharges	136	-	136
Trip income	25	-	25
Total	191	92	283

6. Expenditure

	Staff costs 2017 £000	Premises 2017 £000	Other costs 2017 £000	Total 2017 £000
Teaching Schools expenditure	88	-	77	165
Education:				
Direct costs	4,434	-	534	4,968
Support costs	611	488	472	1,571
	5,133	488	1,083	6,704

EXCEED ACADEMIES TRUST
(A company limited by guarantee)

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

7. Analysis of expenditure by activities

	Activities undertaken directly 2017 £000	Support costs 2017 £000	Total 2017 £000
Education	4,968	1,571	6,539

Analysis of support costs

	Education £000	Total 2017 £000
Staff costs	611	611
Depreciation	144	144
Other costs	18	18
Recruitment and other staff costs	94	94
Maintenance of premises and equipment	203	203
Cleaning	17	17
Rent and rates	43	43
Heat and light	82	82
Insurance	51	51
Security and transport	33	33
Technology costs	104	104
Office overheads	94	94
Legal and professional	21	21
Governance costs	56	56
	1,571	1,571

8. Net income/(expenditure)

This is stated after charging:

	2017 £000
Depreciation of tangible fixed assets:	
- owned by the charity	143
Operating lease rentals	37

EXCEED ACADEMIES TRUST
(A company limited by guarantee)

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

9. Auditors' remuneration

	2017
	£000
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	11
Fees payable to the academy's auditor and its associates in respect of:	
Audit-related assurance services	2
Internal audit services	3
All other non-audit services not included above	5
	5

EXCEED ACADEMIES TRUST
(A company limited by guarantee)

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

10. Staff costs

Staff costs were as follows:

	2017
	£000
Wages and salaries	3,985
Social security costs	342
Operating costs of defined benefit pension schemes	700
	<hr/>
	5,027
Apprenticeship levy	6
Supply teacher costs	100
	<hr/>
	5,133
	<hr/> <hr/>

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

	2017
	No.
Teachers	76
Admin and support	225
Management	12
	<hr/>
	313
	<hr/> <hr/>

Average headcount expressed as a full time equivalent:

	2017
	No.
Teachers	74
Admin and support	162
Management	12
	<hr/>
	248
	<hr/> <hr/>

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

	2017
	No.
In the band £ 80,001 - £ 90,000	1

The employee within the above banding received pension contributions of £14k.

EXCEED ACADEMIES TRUST
(A company limited by guarantee)

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

10. Staff costs (continued)

The key management personnel of the academy trust comprise the 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 £479,811. Included in the key management personnel on page 1 are three employees who joined the multi academy trust in the 2017/18 academic year, therefore no salary costs were incurred in the 2016/17 academic year.

11. Central services

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

- Human resources
- Financial services
- Payroll services
- Legal services
- MAT leadership

The academy charges for these services on the following basis:

The charge is at 5% of General Annual Grant (GAG) income.

A percentage of the overall costs of the establishment of the Exceed head office were allocated to Horton Grange and Copthorne based on a percentage of their surplus inherited on conversion. The balance was paid for by Centrally held funds. Horton Park were not charged as they incurred their own additional capital expenditure to refurbish areas of the school to make office space available for the head office.

The actual amounts charged during the year were as follows:

	2017
	£000
Horton Park Primary School	74
Horton Grange Primary School	130
Copthorne Primary School	86
	<hr/>
Total	290
	<hr/> <hr/>

EXCEED ACADEMIES TRUST
(A company limited by guarantee)

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

12. Trustees' remuneration and expenses

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

		2017
		£000
D Jacques	Remuneration	85-90
	Pension contributions paid	10-15
N Hussain	Remuneration	25-30
	Pension contributions paid	0-5

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

13. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2017 was £2,334.

14. Other finance income

	2017
	£000
Interest income on pension scheme assets	59
Interest on pension scheme liabilities	(85)
	<hr/>
	(26) <hr/>

EXCEED ACADEMIES TRUST
(A company limited by guarantee)

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

15. Tangible fixed assets

	L/Term Leasehold Property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost				
Additions	217	16	4	237
Assets donated on conversion	11,360	-	-	11,360
At 31 August 2017	<u>11,577</u>	<u>16</u>	<u>4</u>	<u>11,597</u>
Depreciation				
Charge for the period	143	-	-	143
At 31 August 2017	<u>143</u>	<u>-</u>	<u>-</u>	<u>143</u>
Net book value				
At 31 August 2017	<u>11,434</u>	<u>16</u>	<u>4</u>	<u>11,454</u>

At the date of conversion, the value of land and buildings transferred into the trust was £11.36m.

16. Debtors

	2017 £000
Trade debtors	172
VAT recoverable	210
Prepayments and accrued income	167
	<u>549</u>

17. Creditors: Amounts falling due within one year

	2017 £000
Trade creditors	166
Other creditors	972
Accruals and deferred income	366
	<u>1,504</u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. Creditors: Amounts falling due within one year (continued)

	£000
<i>Deferred income</i>	
Resources deferred during the year	146
	<u><u>146</u></u>

At the balance sheet date the academy trust was holding funds received in advance of £114k for UIFSM and £32k for Teaching Schools.

18. Financial instruments

The academy only use basic financial instruments and are measured at amortised cost.

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19. Statement of funds

	Balance at 8 March 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
Unrestricted funds						
General funds	-	1,026	(106)	(338)	-	582
Restricted funds						
General Annual Grant (GAG)	-	4,954	(4,614)	-	-	340
Other Dfe/ESFA grants	-	780	(749)	-	-	31
Other income	-	793	(855)	130	-	68
Pension reserve	-	(1,286)	(236)	-	(95)	(1,617)
	-	5,241	(6,454)	130	(95)	(1,178)
Restricted fixed asset funds						
Fixed assets transferred on conversion	-	11,360	(143)	-	-	11,217
Fixed assets purchased from GAG and other restricted funds	-	-	-	220	-	220
DfE/ESFA Capital grants	-	30	(1)	(12)	-	17
	-	11,390	(144)	208	-	11,454
Total restricted funds	-	16,631	(6,598)	338	(95)	10,276
Total of funds	-	17,657	(6,704)	-	(95)	10,858

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

General Annual Grant (GAG)

GAG funding must be used for the running costs of the Academies. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Other DfE/ESFA grants

These funds relate to the Pupil Premium, UIFSM, PE & Sports grant and Development grants.

Other income

These funds included the Special Education Needs grants, and other LA grants as well as income from trading activities.

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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

Restricted Fixed Asset Fund

DfE/EFSA capital grants

The Devolved Formula Capital grant is to be used specifically to maintain and improve buildings

Transfers

The gross transfer from the restricted general fund to the restricted fixed asset fund of £207k represents the total capital expenditure from the Local Authority surplus transferred on conversion.

The transfer from unrestricted to restricted funds of £130k relates to Teaching School income which was received prior to academy conversion but has been expended post conversion. The income has therefore been transferred from the surplus which was transferred into the trust on conversion.

Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £000
Horton Park Primary School	226
Horton Grange Primary School	400
Copthorne Primary School	395
	<hr/>
Total before fixed asset fund and pension reserve	1,021
Restricted fixed asset fund	11,454
Pension reserve	(1,617)
	<hr/>
Total	10,858
	<hr/> <hr/>

Analysis of academies by cost

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2017 £000
Horton Park Primary School	1,473	265	74	287	2,099
Horton Grange Primary School	1,808	177	80	471	2,536
Copthorne Primary School	1,241	170	88	426	1,925
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	4,522	612	242	1,184	6,560
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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20. Analysis of net assets between funds

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	11,454	11,454
Current assets	582	1,943	-	2,525
Creditors due within one year	-	(1,504)	-	(1,504)
Provisions for liabilities and charges	-	(1,617)	-	(1,617)
	<u>582</u>	<u>(1,178)</u>	<u>11,454</u>	<u>10,858</u>

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £000
Net income for the year (as per Statement of Financial Activities)	10,953
Adjustment for:	
Depreciation charges	144
Increase in debtors	(549)
Increase in creditors	1,503
Capital grants from DfE and other capital income	(30)
Defined benefit pension scheme obligation inherited	1,286
Defined benefit pension scheme cost less contributions payable	210
Defined benefit pension scheme finance cost	26
Fixed assets donated from local authority on conversion	(11,360)
Cash received from local authority on conversion	(983)
Net cash provided by operating activities	<u>1,200</u>

22. Analysis of cash and cash equivalents

	2017 £000
Cash in hand	1,976
Total	<u>1,976</u>

23. Conversion to an academy trust

On 01 December 2016 Horton Park Primary School, Horton Grange Primary School and Copthorne Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Exceed Academies Trust from Bradford Metropolitan District Council for £NIL consideration.

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NOTES TO THE FINANCIAL STATEMENTS
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23. Conversion to an academy trust (continued)

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Freehold/leasehold land and buildings	-	-	1,136	1,136
Other assets	983	-	-	983
LGPS pension surplus/(deficit)	-	(1,286)	-	(1,286)
Net assets/(liabilities)	<u>983</u>	<u>(1,286)</u>	<u>1,136</u>	<u>833</u>

The above net [assets/liabilities] include £983,172 that were transferred as cash.

24. Pension commitments

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Yorkshire Pension Fund. Both are Multi-employer defined benefit pension schemes.

As described in note 23 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in

24. Pension commitments (continued)

part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £323k.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2017 was £245,666,, of which employer's contributions totalled £169,997. and employees' contributions totalled £75,669. The agreed contribution rates for future years are 12.8% for employers and between 5.5% and 11.4% for employees.

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24. Pension commitments (continued)

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.

West Yorkshire Pension Fund

Principal actuarial assumptions:

	2017
Discount rate for scheme liabilities	2.50 %
Expected return on scheme assets at 31 August	18.60 %
Rate of increase in salaries	3.25 %
Rate of increase for pensions in payment / inflation	2.00 %
Inflation assumption (CPI)	2.00 %
Inflation assumption (RPI)	3.10 %

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

	2017
Retiring today	
Males	22.1
Females	25.2
Retiring in 20 years	
Males	23.0
Females	27.0

	At 31 August
	2017
	£'000
<i>Sensitivity analysis</i>	
Discount rate +0.1%	4,680
Discount rate -0.1%	4,923
Mortality assumption - 1 year increase	4,655
Mortality assumption - 1 year decrease	4,946

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24. Pension commitments (continued)

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

	Fair value at 31 August 2017 £000
Equities	2,454
Government bonds	306
Corporate bonds	124
Property	143
Cash and other liquid assets	48
Other	108
	<hr/>
Total market value of assets	3,183 <hr/> <hr/>

The actual return on scheme assets was £371k.

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

	2017 £000
Current service cost	(381)
Interest income	59
Interest cost	(85)
	<hr/>
Total	(407) <hr/> <hr/>
Actual return on scheme assets	371 <hr/> <hr/>

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

	2017 £000
Opening defined benefit obligation	3,933
Current service cost	381
Interest cost	85
Employee contributions	78
Actuarial losses	407
Benefits paid	(84)
	<hr/>
Closing defined benefit obligation	4,800 <hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

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

	2017 £000
Opening fair value of scheme assets	2,647
Interest income	59
Actuarial losses	312
Employer contributions	171
Employee contributions	78
Benefits paid	(84)
	<hr/>
Closing fair value of scheme assets	3,183

25. Operating lease commitments

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

	2017 £000
<i>Amounts payable:</i>	
Within 1 year	22
Between 1 and 5 years	39
	<hr/>
Total	61

26. 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.

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27. Related party transactions

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 the trust 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.

During the period the academy trust recharged salary costs of £67,053 to Exceed, a charity in which D Jacques is a trustee. Purchases from Exceed amounted to £51,338 during the period.

28. Post balance sheet events

At 1 September 2017, Appleton Academy, an all through academy for pupils aged 3 to 18, joined the Trust.