

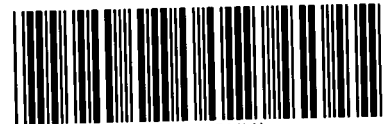
Registered number: 08165692

BELVOIR AND MELTON ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

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BELVOIR AND MELTON ACADEMY TRUST
(A Company Limited by Guarantee)

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BELVOIR AND MELTON ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016

| | |
|--|--|
| Members | Mr B Lovegrove Dr D Bailey Mrs J Reavley Mr A Friend (resigned 30 October 2015) Mr P Kelsey (resigned 18 April 2016) Mrs M Robson (resigned 16 December 2015) Mrs L McGrory (resigned 22 September 2015) Ms A Reynolds |
| Governors | Mr B Lovegrove, Chair Dr D Bailey, Vice Chair Mrs J Reavley Mr A Friend (resigned 30 October 2015) Mr P Kelsey (resigned 18 April 2016) Mrs M Robson (resigned 5 December 2015) Mrs L McGrory (resigned 22 September 2015) Ms A Reynolds Prof. S McGrath (resigned 30 September 2015) Mr G Shipman Mrs G Gookey Mrs J Baker (resigned 31 May 2016) Mrs J Weymouth Mr J Carter Mr D Brock Ms T Gardiner (appointed 26 January 2016) Dr N Stokes (appointed 26 January 2016) |
| Company registered number | 08165692 |
| Company name | Belvoir and Melton Academy Trust |
| Principal and registered office | Belvoir and Melton Academy Trust Barkestone Lane Bottesford Nottinghamshire NG13 0AX |
| Leadership Team | Miss J Gant, Acting Head of Centre Mrs V Lloyd, Acting Deputy Headteacher Ms R Hutson, Acting Assistant Headteacher/Director of Inclusion Mrs K Black, Head of Centre Post 16 Mr N Barratt, Assistant Principal (resigned 31 August 2016) Mrs N Roberts, Assistant Principal |
| Independent auditor | BDO LLP Pannell House 159 Charles Street Leicester LE1 1LD |
| Bankers | National Westminster Bank Plc Gateway House 4 Penman Way Grove Park, Enderby Leicestershire LE19 1SY |

BELVOIR AND MELTON ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016

Advisers (continued)

Solicitors

Freeths LLP
Cumberland Court
80 Mount Street
Nottingham
NG1 6HH

BELVOIR AND MELTON ACADEMY TRUST
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The Annual Report serves the purposes of both a Governors' Report, and a Directors' report under company law.

The Trust Board operates an academy for pupils aged 11 to 18 serving a catchment area in the Vale of Belvoir and Melton. It has a student capacity of 1200 and had a roll of 1039 in the school census in May 2016.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Governors of Belvoir and Melton Academy Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as The Belvoir and Melton Academy Trust; also known as BMAT.

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

b. Members' liability

The liability of the members of the Charitable Company is limited. 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 Governors

The management of the Academy is the responsibility of the trustees and the governors who are elected and co-opted under the terms of the Academy deed. The term of office for any Governor shall be four years, save that this time limit shall not apply to the Executive Principal. Subject to remaining eligible to be a particular type of Governor, any Governor may be reappointed or re-elected.

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

Where necessary induction will include training on educational, legal and financial matters. All new Governors will be given the opportunity of a tour of the Academy, have the chance to meet with staff and students and are provided with copies of key documents, such as policies, procedures, accounts, budgets, plans and other documents they need to undertake their role as Governors. The Trust Board and Governing Body have strengthened their induction process and the Company Secretary with support of the Chair and Senior Leader formally welcome all new Governors with an induction pack, tour of the Centres and nominated mentor. All appointments are registered with Companies House and LA Governor Development Services.

BELVOIR AND MELTON ACADEMY TRUST
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

e. Pay policy for key management personnel

The BMAT Trust adopts the School teachers' pay and conditions document 2016 and guidance on school teachers' pay and conditions in setting the pay and remuneration of the academies staff. Authority for the recruitment of staff at BHS and MV16 was given to the Heads of Centres in conjunction with their Senior Leadership Team (SLT). Appointments of staff at SLT level were authorised by the Trust.

f. Organisational structure

The Academy was set up with a management structure to support the Education Brief. The Academy's organisational structure consists of four levels: the Trust Board, the Governing Body, the Leadership Team and other staff undertaking leadership roles in the Academy, consisting primarily of Heads of Faculty, Curriculum and Subject Leaders and Heads of Year.

The Trust Board are responsible for setting general policy, adopting an annual plan and budget, monitoring its financial and operational performance and making strategic decisions about the direction of the Academy, approving major items of expenditure and making senior staff appointments. During the course of the 2015/16 academic year the Members met 7 times inclusive of their Annual General Meeting and the full Governing Body formally met 4 times.

The Trust Board and Governors have approved a scheme of financial delegation which clearly sets out the level of financial authority delegated to the members of the Leadership Team. The Senior Leadership Team (SLT) control the Academy at an executive level, implement the policies laid down by the Trust Board and Governors and report back to them. The SLT is headed by the Heads of Centres and Accounting Officer. Members of the SLT, listed on page 1, are responsible for developing and implementing Academy plans which seek to deliver the best possible education for its students within the agreed budget and scheme of delegation approved by the Trust Board and Governors. Heads of Faculty report to the Senior Leadership Team through a formal meeting structure. Heads of Year and Curriculum Leaders report to nominated members of the Senior Leadership Team. These managers are responsible for day to day operation of the Academy, in particular organising the staff, facilities and students. Heads of Faculty and Curriculum Leaders all have delegated budget management responsibilities.

g. Risk management

At the end of the 2015/16 academic year the Academy reviewed its risk management arrangements. The Strategic Risk Register is reviewed both by the SLT and the Finance and Audit Committee. The Risk Register seeks to identify both the likelihood of a risk occurring and its impact. It also sets out the actions that are being taken to mitigate the risks. Risks included on the register are varied but include educational risks such as the Academy not achieving the targeted student exam results, failures to achieve an increase in student numbers, target student attendance rates, improvements in the quality of teaching, an acceptable Ofsted inspection result or improve and maintain parental and wider community support. Ofsted judgment (May 2015) was good. In addition the register records the risks associated with major incidents, ICT system failures and several financial and operational risks, including risks to the budget and to the health and safety and safeguarding of students. Some significant financial risks such as public and employee liability are covered by Insurance. The Academy operates systems of internal financial control and checks that these are examined periodically by the Academy's external auditors and internal auditors, (this function undertaken by the Local Authority Internal Audit Service).

h. Governors' indemnities

Subject to the provisions of the Companies Act 2006, every trustee or other officer or auditor of the Academy shall be indemnified out of the assets of the Academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy.

BELVOIR AND MELTON ACADEMY TRUST
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Strategic report

Objectives and Activities

a. Objects and aims

The Academy objective is set out in its Articles of Association. In summary it is to establish, maintain, manage and develop a school offering a broad curriculum with a strong emphasis on, but in no way limited to, English and Mathematics. It seeks to deliver this objective through Belvoir High School and Melton Vale Post 16 Centre, which opened to students as an academy in October 2012, premises are leased from Leicestershire County Council in respect of Melton Vale Post 16 Centre, and in the case of Belvoir High School premises that were previously owned by the Barkestone Trust were transferred to the Belvoir and Melton Academy Trust on conversion to academy status.

In accordance with the Articles of Association the Academy has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which students are drawn, and that the curriculum should comply with the substance of the National Curriculum with an emphasis on English and Mathematics.

BELVOIR AND MELTON ACADEMY TRUST
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

b. Objectives, strategies and activities

BMAT is committed to providing an outstanding education for the young people it serves. "We believe in the power of education to change lives for the better." They provide opportunities at all levels to develop the character of their students and unlock their potential through participation in a wide range of enriching educational experiences. Furthermore, the Academy have built on their achievements by utilising their strengths to address areas for improvement, whilst recognising the opportunities and potential threats that exist in the wider educational landscape.

BMAT's objectives:

- Provide innovative, collaborative and cost effective leadership and management with a clear focus on quality teaching and learning and outstanding outcomes for young people.
- Establish a financial environment that allows us to invest in our future.
- Develop partnerships which will strengthen the stability and purposes of BMAT, with a view to expanding The Trust in an organic way over the next decade.
- Be responsive to the needs and aspirations of the communities we serve.
- Share expertise and resources across our Centres, where so doing strengthens provision and improves outcomes for staff and young people.

Within each Centre the Governing Committee work tirelessly to ensure they have:

- Highly skilled and innovative teachers delivering outstanding teaching.
- An inspiring environment and high quality resources to support teaching and learning.
- A broad curriculum offer to meet the needs and aspirations of as many students as possible: 'a curriculum as individual as you are'.
- A wealth of extension opportunities to broaden horizons, raise aspirations and enrich personal development.
- A strong community with a range of academic and support services to underpin progress and achievement.
- Emotionally secure, independent learners with the knowledge and skills to fulfil their potential and succeed in a rapidly changing world.

Each establishment's Development Plan is reviewed annually by Governors and the Academy's Strategic Plan is also reviewed annually by Members. Members and Governors have established specific targets in the following areas:

- Outcomes of Students
- Teaching and Learning and Assessment
- Personal Development Behaviour and Welfare of Students
- Leadership and Management

c. Public benefit

In setting the Academy objectives and planning its activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

BELVOIR AND MELTON ACADEMY TRUST
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

d. Equal Opportunities Policy

The Academy recognises its commitment to students, staff, parents/carers and Governors and to the wider community based on the principle of promotion of self respect and respect of others. As such we believe that discrimination is unacceptable and our equal opportunities policy seeks to foster all individuals' abilities. In meeting the duties, all our actions will embody our key principles and values which include:

- Encouraging young people to develop into good citizens to aim for excellence in all they attempt, to communicate effectively, work well in teams and to enjoy life.
- Striving to make the best possible provision for all students, staff, governors and those connected with the Academy regardless of disability, ethnicity, culture, religious belief, national origin or status, gender or sexual orientation.
- Respecting diversity. We know that treating everyone equally is not simply a matter of treating everyone the same. We always seek to do our best to make reasonable adjustments for disability, recognise and celebrate cultural differences and understand the different needs and experiences of boys and girls.
- Knowing that equality is not simply about protecting the potentially vulnerable. We believe that all students may be disadvantaged by the holding of prejudicial views, and seek to promote good relationships between all groups, and positive attitudes towards disabled people, people from different ethnic or cultural groups or faith backgrounds and people of different gender or sexual orientation.
- Valuing our staff for their ability and potential to help us make the best possible provision for the students in the Academy regardless of disability, ethnicity, culture, religious belief, national origin, gender or sexual orientation.
- Being proactive in our efforts to identify and minimise existing barriers or inequalities. Seeking the views of all groups affected by the policies and work of our Academy and involving them in policy review where appropriate. Recognising our role in promoting community cohesion and actively encouraging the participation in public life of all in the Academy.

e. Disabled Persons

The Academy recognises its responsibilities under the Equality Act. The general duty to promote disability equality is owed to all disabled people, which means that we have due regard to:

- Promote equality of opportunity between disabled people and other people.
- Eliminate unlawful discrimination.
- Eliminate disability related harassment.
- Promote positive attitudes towards disabled people.
- Encourage participation by disabled people in public life.
- Take steps to take account of disabled people's disabilities, even where that involves treating disabled people more favourably than other people.

f. Accessibility

There is specific disability legislation in relation to disabled students and accessibility which means we plan strategically over time to:

- Increase access to the curriculum.
- Make improvements to the physical environment of the Academy to increase access.
- Make written information available to students in a range of different ways.

We must ensure that disabled students do not receive less favourable treatment and to do this the Academy has a duty to make reasonable adjustments.

BELVOIR AND MELTON ACADEMY TRUST
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Achievements and performance

a. Review of activities

Overview

Important decisions were made by the Trust Board throughout 2015/16. The Trust Board continued to work with the services of a former Headteacher/experienced Adviser to add additional capacity and provide external advice to both the Trust Board and Senior Leaders. Belvoir High School and Melton Vale post 16 Centre continue to be well led by the Heads of Centres, ably supported by their experienced Senior Leadership Teams. In addition, they have planned meticulously for next year and are confident that they have the capacity to provide a quality education for the young people they serve. In January 2015, following extensive research BMAT agreed a Memorandum of Understanding with The Priory Federation of Academies to enhance leadership capacity through the support of a National Leader of Education and partnership work with Priory Ruskin Academy in Grantham.

Support included:

- Financial/HR support to include advice on restructuring, benchmarking staffing and finance review
- Curriculum planning 11-16 including Year 9 options and timetabling
- Assessment, data analysis and tracking 11-16
- Strategic leadership advice

In March 2015 the governors of BMAT unanimously agreed the following resolution:

Following the success of the Memorandum of Understanding agreed in January 2015, the Directors and Trustees agree to commence the process to join the Priory Federation of Academies Trust (subject to approval from the DfE, consultation, due diligence, final approval by their Trust and completion of all legal processes). Therefore, the working assumption is that within 2015/16, Belvoir and Melton Academy will become part of a Multi Academy Trust.

In June 2015, BMAT engaged the services of a nationally experienced Educational Solicitor to advise and support them through the process.

Background and results

Belvoir High School - GCSE's

| | % 5 A*-C (inc E & M) | % 5 A*-C | % Basics A*-C (inc E & M) | % Maths | % Eng |
|------|----------------------|----------|---------------------------|---------|-------|
| 2013 | 58 | 82 | 58 | 65 | 76 |
| 2014 | 60 | 72 | 64 | 83 | 69 |
| 2015 | 74 | 78 | 81 | 85 | 84 |
| 2016 | 75 | 79 | 78 | 81 | 84 |

2016 Progress 8 result = 0.0

BELVOIR AND MELTON ACADEMY TRUST
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

MV16 – A Levels

Results for 2015/16 were extremely pleasing and continue to reflect our outstanding performance. Despite there being a slight decline on the previous year, we still remain as one of the top performing 16-19 providers in the county. Our Alps report places us in the top 10% nationally for Value Added, along with our L3VA indicating that we are significantly above average for added value. Comparative Summary of A Level Results:

| | Summer 2016 | Summer 2015 | Summer 2014 | Summer 2013 | Summer 2012 |
|--------|-------------|-------------|-------------|-------------|-------------|
| A* | 8.10% | 13.90% | 12.95% | 3.04% | 3.80% |
| A* - B | 49.20% | 55.50% | 56.26% | 60.64% | 42.80% |
| A* - C | 72.10% | 81.00% | 84.92% | 90.37% | 69.90% |
| A* - E | 99.60% | 99.10% | 99.82% | 100.00% | 97.60% |
| APS | - | 215.5 | 219.3 | 210.1 | 196.5 |

The ALPs added value analysis, through which we can measure results against expectations based on prior attainment, adjudged the progress and attainment of students as being 'Excellent' and in the top 25% achieved nationally.

OFSTED 2015

Following an inspection by Ofsted in May 2015, Belvoir and Melton Academy was been rated as a Good school in all areas with an Outstanding sixth form.

In the final report, published on the Ofsted website, the inspectors stated that the Academy is a Good school because:

- Governors and senior staff have successfully addressed the issues raised in the last inspection
- Students achieve well in a wide range of subjects
- Teaching has improved as a result of regular monitoring and effective management of teachers' performance
- Key Stage 3 students who receive extra support to improve their reading and writing make good progress
- The progress of boys and disadvantaged students has improved as a result of better teaching and well-planned targeted support
- Behaviour is good
- The curriculum provides students with a wide range of subjects
- Attendance is good
- The sixth form is outstanding, with above average achievement and students leaving exceptionally well prepared for the future
- The governing body and trustees are actively involved in the work of the school, challenging leaders and thoroughly involved in planning for future improvements.

b. Key financial performance indicators

The Academy monitors its financial performance on an ongoing basis paying attention to staffing costs monitored as a percentage of total income. For the period to 31 August 2016 staffing costs amounted to 76% of total income. The Academy also monitors its surplus/deficit on a monthly basis. The Academy also uses a number of non-financial key performance indicators to monitor its performance as can be seen in the Achievements and Performance section.

BELVOIR AND MELTON ACADEMY TRUST
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Financial review

a. Going concern

The Governors 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. Under normal convention, the Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

At the balance sheet date, the Academy has a deficit on the General Annual Grant (GAG) Restricted fund of £343,122 and has net current liabilities of £149,431.

The Governors have evaluated the options available to secure the future of the Academy and have agreed to pursue the option of joining a Multi Academy Trust (MAT). Discussions have identified a preference to divide BMAT into two separate organisations; Belvoir High School (BHS) and Melton Vale Post 16 Centre (MV16).

The Trustees have been working with the Priory Federation Academies Trust MAT (PFAT), supporting Belvoir High School. The Trustees in conjunction with the Regional Commissioner have committed to BHS joining PFAT. A multi academy trust partner for MV16 is being investigated and at this time a final decision is yet to be made. When a MAT has been found for MV16, the trustees will support the separation of BHS from MV16 through the appropriate channels of Regional Commissioner and the Education Finance Authority.

Should this plan be finalised, Belvoir and Melton Academy Trust would no longer exist as a separate entity. However in this situation, the trade and assets of Belvoir and Melton Academy Trust would be transferred equitably between the two MATs, where they will continue to operate. All assets continue to be recoverable at the values in the financial statements, all liabilities will be settled at the values in the financial statements and there are no costs to provide for in relation to the cessation of trade, as the trade is not ceasing.

In the event that the plan is not successful, the Governors will need to reassess the financial position and implement a restructuring plan in order to make the Academy financially viable again. At the time of signing these financial statements, there can be no certainty that any restructuring plan will be successful. In the event of restructuring, provisions for certain costs that result from the restructuring might be required.

Due to the financial position of the academy, in particular its negative GAG fund, the Governors have concluded that there are material uncertainties that cast significant doubt on the ability of the Academy to continue as a going concern. Nevertheless, the Governors believe that a viable solution can be found and therefore continue to prepare the financial statements on a going concern basis. The financial statements do not include the adjustments that would result should the entity not be able to continue as a going concern.

b. Financial risk management objectives and policies

Changes to the national funding formula, and generally tough financial settlements result in the Academy anticipating a very challenging position over the medium term to deliver a balanced budget. Incoming revenue financial resources were £5,712,908 in 2015/16 and are anticipated to be lower for 2016/17 due to reduced pupil numbers. Whilst subject to a number of variables, the Academy anticipates that by 2017/18 annual revenue income could have reduced significantly in real terms.

The Academy is committed to delivering a significant savings plan to help balance the budget. Reserves as at 31 August 2016 were negative and totalled £149,431, before accounting for the Academy's share of the liabilities of the Leicestershire Pension Fund and funds provided to the Academy solely for capital investment purposes and assets transferred on conversion. These are discussed in more detail in the reserves policy (below) and going concern section (above).

BELVOIR AND MELTON ACADEMY TRUST
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

c. Principal risks and uncertainties

The Academy has an embedded Risk Management Strategy and Risk Register which is reviewed by the Finance and Audit Committee. Top financial risks that it has identified and are managing include failure to achieve planned student numbers, other organisations competing for the same sources of income and failure to deliver forecast necessary savings and maintain sustainable improvements in student performance. The Academy has initiated actions in order to mitigate these risks.

d. Reserves policy

The Trust Board and Governing Body review the reserve levels of the Academy annually at the year end and as part of its medium term budget planning. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trust Board and Governors determine what the level of uncommitted reserves should be. The aim 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.

As a part of its monitoring of in year financial performance The Trust Board and the Governing Body reviews the forecast impact on reserves and considers this as a part of its medium term financial planning. Initially the Trust Board and Governing Body planned to establish a relatively high level of restricted general reserves at the year end in order to enable it to both manage unforeseen emergencies and also to enable planned use over the medium term to mitigate against anticipated budget shortfalls.

However, as at 31 August 2016 the Academy held a deficit on total restricted general funds of £312,082. This has been discussed in detail in the going concern section. The implications of this have meant that the Governors have considered the options available to them in order to secure the future of the Academy and are currently in negotiations to become part of a Multi-Academy Trust. In order to minimise the level of deficit expenditure will be closely monitored and the Academy is not planning any further capital expenditure above any capital funding in 2016/2017. Under Accounting Standard FRS102 it is necessary to charge projected deficits on the Local Government Pension Scheme that is provided for our non-teaching staff to a specific restricted reserve. As at 31 August 2016 the deficit on this reserve amounted to £2,701,000. It should be noted however that this does not present the Academy with a current liquidity problem. Contributions to the pension scheme are being increased over the next few years in order to reduce the deficit. In addition the Academy held £19,773,724 restricted fixed asset funds as at 31 August 2016. The fixed asset fund reflects both the funding received for capital investment purposes and the depreciation costs of assets. Unrestricted funds show a small surplus of £162,651.

e. Investments policy

The Trust Board has approved a Treasury Management Policy and invests cash flow surpluses on a daily basis in order to generate a return on any cash balances. However, in balancing risk against return the Academy policy is clearly geared towards avoiding risk than to maximising return. As at 31 August 2016 the Academy has only cash deposits invested with its banker, NatWest, amounting to £204,725 in total.

BELVOIR AND MELTON ACADEMY TRUST
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Plans for future periods

a. Future developments

Our primary focus in 2015/16 was to ensure our students make further progress and achieve high degrees of success in their exams. At Belvoir High School, the targets for 2016/17 are:

KS4 Targets

| | |
|-----------------------------------|------|
| Progress 8 | +0.1 |
| Attainment 8 | 55 |
| English and Maths (basics) A* - C | 85% |

Other targets we have set include:

- Raising the level of good and outstanding teaching to 75-80% of lessons being assessed at good or outstanding.
- Refine and embed new tracking system to ensure that information is used by SLT/Middle Leaders to analyse trends identify underachievement and plan timely interventions.
- Develop a consistent response to the abolition of levels at KS3 and explore the use of CAT or other baseline testing to supplement KS2 scores as basis for target setting.
- Develop and implement an individualised programme of support for any teacher whose teaching is judged to require improvement or is inadequate.
- Continue to close the gap in performance for Boys, Middle Ability and Pupil Premium students with additional focus on high performing Pupil Premium students.
- Making sure we use our resources effectively, targeted for the benefit of our pupils, and in order to deliver against our budget plans.

At Melton Vale post 16 Centre, the targets for 2016/17 are:

| | |
|-----------|------|
| A* | 10% |
| A* - B | 50% |
| A* - C | 75% |
| A* - E | 100% |
| Q&B score | 2 |

Other targets we have set include:

- Develop leadership at all levels, which demonstrates a knowledge of the centre, its ethos, vision and direction
- Review and embed QA programme across the academy which is in line with new OFSTED framework
- New Performance Management Policy implemented, monitored and evaluated to ensure parity across the two Centres
- Develop a curriculum that matches the changing agenda of 11-19 education, which continues to offer breadth of subjects to allow progression on to FE / HE courses, training or employment and ensures pupils are Progress 8 ready.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Funds held as custodian

The Academy holds the following funds:

- The Marjorie Pacey Trust - £18,755 - a trust that provides support for English students that have excelled in Literature. The funds are held for the purposes of student development, which is in line with the objectives of the Academy.
- Melton and Belvoir E-Learning Foundation - £4,809 - a trust that supports the charitable advancement of education within the community of Melton Mowbray and the vale of Belvoir and surrounding areas, in particular those who have social or economic disadvantage or who have disabilities. The funds are held for the advancement of education, which is in line with the objective of the Academy.

Auditor

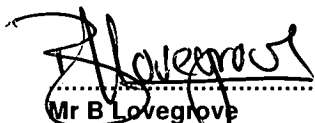
The Trust renewed the appointment of BDO LLP as auditors. The appointment is for a period of one year, renewable annually at the discretion of the Trust Board. A formal competitive tender will be undertaken at least every five years.

Disclosure of information to auditor

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

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information in connection with preparing its report and to establish that the charitable company's auditor is aware of that information.

This report, incorporating a strategic report, was approved by order of the Trust Board as the company directors, on 31 January 2017 and signed on its behalf by:


.....
Mr B Lovegrove
Chair of Governors

BELVOIR AND MELTON ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Belvoir and Melton Academy 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 Governing Body has delegated the day-to-day responsibility to the Acting Head of Centre, 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 Belvoir and Melton Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

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

| Trust Board Meetings | Meetings attended | Out of a possible |
|-------------------------|-------------------|-------------------|
| Mr B Lovegrove, Chair | 2 | 4 |
| Dr D Bailey, Vice Chair | 4 | 4 |
| Mrs J Reavley | 4 | 4 |
| Mr A Friend | 0 | 0 |
| Mr P Kelsey | 0 | 0 |
| Mrs M Robson | 0 | 0 |
| Mrs L McGrory | 0 | 0 |
| Ms A Reynolds | 4 | 4 |
| Prof. S McGrath | 0 | 0 |
| Mr G Shipman | 4 | 4 |
| Mrs G Gookey | 3 | 4 |
| Mrs J Baker | 1 | 3 |
| Mrs J Weymouth | 1 | 4 |
| Mr J Carter | 2 | 4 |
| Mr D Brock | 1 | 4 |
| Ms T Gardiner | 4 | 4 |
| Dr N Stokes | 2 | 4 |

The Resources Committee is a sub-committee of the main Governing Body. Its purpose is to agree/monitoring budget for ratification by the Governing Body; ensure the Academy meets all its statutory obligations/audit committee requirements around finance issues; it also deals with HR/Personnel and Estates. The Resources Committee has formally met four times during the year.

Attendance at meetings in the year was as follows:

| Governor | Meetings attended | Out of a possible |
|---------------|-------------------|-------------------|
| Mr P Kelsey | 3 | 4 |
| Dr D Bailey | 4 | 4 |
| Ms A Reynolds | 3 | 4 |
| Mr G Shipman | 4 | 4 |

BELVOIR AND MELTON ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

The Trust Board is responsible for the overall running of the Academy. They are the overarching body of the Academy with accountability for standards and strategic/financial planning. Additionally, they are responsible for the employment and conditions of staff within the Academy. The Trust Board has formally met six times during the year.

Attendance at meetings in the year was as follows:

| Governor | Meetings attended | Out of a possible |
|----------------|-------------------|-------------------|
| Mr B Lovegrove | 5 | 6 |
| Dr D Bailey | 6 | 6 |
| Mr A Friend | 0 | 1 |
| Mrs J Reavley | 6 | 6 |
| Mrs L McGrory | 1 | 1 |
| Mrs M Robson | 3 | 3 |
| Ms A Reynolds | 4 | 5 |
| Mr P Kelsey | 4 | 5 |

Review of Value for money

As Accounting Officer, the Acting Head of Centre 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 Governing Body 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:

- Crucial redevelopment of the catering provisions at Belvoir High School in order to ensure the facilities complied with Health and Safety Regulations.
- Improved procurement methods across the academy in order to achieve cost savings in relation to stationery, paper and other consumables.
- Undertook a review of all contracts to ensure they were fit for purpose and cost effective.

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 Belvoir and Melton Academy Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

BELVOIR AND MELTON ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

During 2015/16 this was developed and strengthened by:

- Review of a number of policies and procedures. Notably the Finance Policy was reviewed as were policies for charging and remissions, pay, anti-fraud and corruption and whistleblowing.
- A Local Authority Internal Audit programme, acting as the internal auditors, with reports of findings made to governors.
- Developing systems and processes for improving the role of trustees and governors in monitoring and evaluation.
- Strengthening the accountability of leadership by better defining roles and responsibilities across The Academy structures.
- OFSTED action plan developed to target areas identified as requiring improvement.

The Academy is committed to ongoing review and development of its control framework through an action plan agreed and monitored by the Finance and Audit Committee. Furthermore, the Academy evaluated the knowledge of all its Governors by undertaking a review of their skills audit; which identified areas of expertise which enhanced the Trust Board such as Human Resources, and Financial Management. The Trust Board successfully recruited expertise in the areas identified and a balanced, well rounded Board of Governors supports the Academy.

Capacity to Handle Risk

The Governing Body 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 Governing Body 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 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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 Governing Body;
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided to appoint Leicestershire CC Internal Audit Service as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On an annual basis, the internal auditor reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

In particular the checks carried out in the current period included:

- Testing of control account/bank reconciliations
- Testing of payroll systems
- Testing of purchase systems

On an annual basis, the internal auditor reports to the Trust Board on the operation of the systems of control and on the discharge of the Trust Board's financial responsibilities.

BELVOIR AND MELTON ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

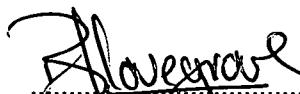
Review of Effectiveness

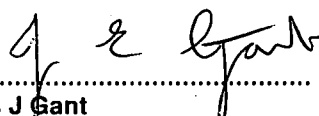
As Accounting Officer, the Acting Head of Centre has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the 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 Resources Committee and Trust Board and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 31 January 2017 and signed on their behalf, by:


.....
Mr B Lovegrove
Chair of Trustees


.....
Miss J Gant
Accounting Officer

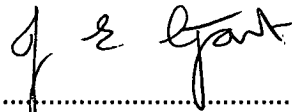
BELVOIR AND MELTON ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Belvoir and Melton Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the 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 2015.

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 2015.

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 EFA.



.....
Miss J Gant
Accounting Officer

Date: 31 January 2017

BELVOIR AND MELTON ACADEMY TRUST

(A Company Limited by Guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who act as trustees of the charitable company and are also the directors of the Academy for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 Academy and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these financial statements the Governors are required to:

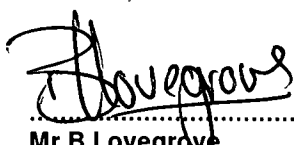
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the Academy 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 Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in its conduct and operation the Academy 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 the EFA/DfE have been applied for the purposes intended.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the Academy'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 Governing Body and signed on its behalf by:



.....
Mr B Lovegrove,

for and on behalf of the board of governors

Date: 31 January 2017

BELVOIR AND MELTON ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS AND TRUSTEES OF BELVOIR AND MELTON ACADEMY TRUST

We have audited the financial statements of Belvoir and Melton Academy Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities, 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) and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency ("the EFA").

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 and to the trustees, as a body, in accordance with the Academies Accounts Direction 2015 to 2016. Our audit work has been undertaken so that we might state to the academy's members and trustees those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy, the academy's members as a body and the academy's trustees as a body for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Governors and auditor

As explained more fully in the governors' responsibilities, the governors (who act as trustees of Belvoir and Melton Academy Trust and are 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.

We have been appointed as auditor under the Companies Act 2006 and report in accordance with that Act. 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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2015 to 2016 issued by the EFA.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1.5 about the Academy's ability to continue as a going concern. At the balance sheet date there was a deficit on General Annual Grant restricted fund of £343,122 and net current liabilities of £149,431. Whether this academy will continue as a going concern is dependent on whether the proposals to transfer trade and assets to a multi-academy trust are finalised and in the event that they are not, that a suitable restructuring plan such that it can operate within the planned GAG funding is implemented. As there is no certainty about future plans for the academy, the above conditions indicate the existence of a material uncertainty which may cast doubt about the ability of the Academy to continue as a going concern. The financial statements do not include the adjustments that would result should the entity not be able to continue as a going concern.

BELVOIR AND MELTON ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS AND TRUSTEES OF BELVOIR AND MELTON ACADEMY TRUST

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report, which includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



Nishit Bathia (Senior Statutory Auditor)
for and on behalf of
BDO LLP, Statutory auditor
Leicester
United Kingdom
31 January 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

BELVOIR AND MELTON ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BELVOIR
AND MELTON ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 10 October 2016 and further to the requirements of the Education Funding Agency (EFA) as included in Part 9 of the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Belvoir and Melton Academy Trust during the year 1 September 2015 to 31 August 2016 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 Belvoir and Melton Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Belvoir and Melton Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Belvoir and Melton Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Belvoir and Melton Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Belvoir and Melton Academy Trust's funding agreement with the Secretary of State for Education dated 27 July 2012, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

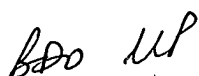
The work undertaken to draw our conclusion includes an assessment of the level of risk associated with the specific categories of income and expenditure and the potential for irregularities to be identified.

BELVOIR AND MELTON ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BELVOIR
AND MELTON ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



BDO LLP
Reporting Accountant
Leicester
United Kingdom

31 January 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

BELVOIR AND MELTON ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2016
(incorporating the income and expenditure account)

| | Note | Unrestricted funds 2016 £ | Restricted funds 2016 £ | Restricted fixed asset funds 2016 £ | Total funds 2016 £ | Total funds 2015 £ |
|--|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| INCOME FROM: | | | | | | |
| Donations and capital grants | 2 | - | 204,040 | - | 204,040 | 525,746 |
| Other trading activities | 3 | 346,700 | - | - | 346,700 | 416,734 |
| Investments | 4 | 2,128 | - | - | 2,128 | 2,921 |
| Charitable activities: | 5 | | | | | |
| Funding for the Academy's educational operations | | - | 5,160,040 | - | 5,160,040 | 5,460,458 |
| TOTAL INCOME | | 348,828 | 5,364,080 | - | 5,712,908 | 6,405,859 |
| EXPENDITURE ON: | | | | | | |
| Raising funds | 3 | 299,858 | - | - | 299,858 | 368,929 |
| Charitable activities: | | | | | | |
| Academy's educational operations | | - | 5,550,604 | 450,589 | 6,001,193 | 6,221,774 |
| TOTAL EXPENDITURE | 7 | 299,858 | 5,550,604 | 450,589 | 6,301,051 | 6,590,703 |
| NET INCOME / (EXPENDITURE) BEFORE TRANSFERS | | | | | | |
| Transfers between Funds | 17 | 48,970 (4,763) | (186,524) (41,858) | (450,589) 46,621 | (588,143) - | (184,844) - |
| NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES | | | | | | |
| | | 44,207 | (228,382) | (403,968) | (588,143) | (184,844) |
| Actuarial gains/(losses) on defined benefit pension schemes | 21 | - | (482,000) | - | (482,000) | 57,000 |
| NET MOVEMENT IN FUNDS | | 44,207 | (710,382) | (403,968) | (1,070,143) | (127,844) |
| RECONCILIATION OF FUNDS: | | | | | | |
| Total funds brought forward | | 118,444 | (2,302,700) | 20,177,692 | 17,993,436 | 18,121,280 |
| TOTAL FUNDS CARRIED FORWARD | | 162,651 | (3,013,082) | 19,773,724 | 16,923,293 | 17,993,436 |

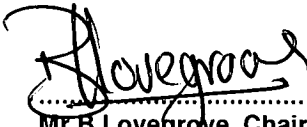
The notes on pages 27 to 47 form part of these financial statements.

BELVOIR AND MELTON ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08165692

BALANCE SHEET
AS AT 31 AUGUST 2016

| | Note | £ | 2016 £ | £ | 2015 £ |
|--|------|--------------------|--------------------------|--------------------|--------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 13 | | 19,773,724 | | 20,177,692 |
| CURRENT ASSETS | | | | | |
| Stocks | 14 | 828 | | 4,220 | |
| Debtors | 15 | 129,726 | | 74,797 | |
| Cash at bank and in hand | | 204,725 | | 182,310 | |
| | | <u>335,279</u> | | <u>261,327</u> | |
| CREDITORS: amounts falling due within one year | 16 | (484,710) | | (363,583) | |
| NET CURRENT LIABILITIES | | | <u>(149,431)</u> | | <u>(102,256)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>19,624,293</u> | | <u>20,075,436</u> |
| Defined benefit pension scheme liability | 21 | | <u>(2,701,000)</u> | | <u>(2,082,000)</u> |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITIES | | | <u><u>16,923,293</u></u> | | <u><u>17,993,436</u></u> |
| FUNDS OF THE ACADEMY | | | | | |
| Restricted income funds: | | | | | |
| Restricted income funds | 17 | (312,082) | | (220,700) | |
| Restricted fixed asset funds | 17 | 19,773,724 | | 20,177,692 | |
| Restricted income funds excluding pension liability | | <u>19,461,642</u> | | <u>19,956,992</u> | |
| Pension reserve | | <u>(2,701,000)</u> | | <u>(2,082,000)</u> | |
| Total restricted income funds | | | 16,760,642 | | 17,874,992 |
| Unrestricted income funds | 17 | | <u>162,651</u> | | <u>118,444</u> |
| TOTAL FUNDS | | | <u><u>16,923,293</u></u> | | <u><u>17,993,436</u></u> |

The financial statements were approved by the Governors, and authorised for issue, on 31 January 2017 and are signed on their behalf, by:


 Mr B Lovegrove, Chair

The notes on pages 27 to 47 form part of these financial statements.

BELVOIR AND MELTON ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

| | Note | 2016 £ | 2015 £ |
|--|------|-----------------------|-----------------------|
| Cash flows from operating activities | | | |
| Net cash provided by/(used in) operating activities | 19 | <u>42,546</u> | <u>(213,316)</u> |
| Cash flows from investing activities: | | | |
| Dividends, interest and rents from investments | | 2,128 | 2,921 |
| Purchase of tangible fixed assets | | (46,621) | (355,237) |
| Capital grants from DfE/EFA | | <u>24,362</u> | <u>372,733</u> |
| Net cash (used in)/provided by investing activities | | <u>(20,131)</u> | <u>20,417</u> |
| Change in cash and cash equivalents in the year | | 22,415 | (192,899) |
| Cash and cash equivalents brought forward | | <u>182,310</u> | <u>375,209</u> |
| Cash and cash equivalents carried forward | 20 | <u><u>204,725</u></u> | <u><u>182,310</u></u> |

The notes on pages 27 to 47 form part of these financial statements.

BELVOIR AND MELTON ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

Belvoir and Melton Academy Trust is a company limited by guarantee incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Academy's operations and its principal activities are set out in the strategic report. The functional currency of the Academy is GBP.

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Belvoir and Melton Academy Trust constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Belvoir and Melton Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Belvoir and Melton Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Governors have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 26.

1.2 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 Governors.

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 Education Funding Agency.

BELVOIR AND MELTON ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

Grants are included in the Statement of Financial Activities 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 fund.

Donations are recognised on a receivable basis where there is certainty of receipt 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.

1.4 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 benefit 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.

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

Charitable activities and Governance costs are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

BELVOIR AND MELTON ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

The Governors 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. Under normal convention, the Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

At the balance sheet date, the Academy has a deficit on the General Annual Grant (GAG) Restricted fund of £343,122 and has net current liabilities of £149,431.

The Governors have evaluated the options available to secure the future of the Academy and have agreed to pursue the option of joining a Multi Academy Trust (MAT). Discussions have identified a preference to divide BMAT into two separate organisations; Belvoir High School (BHS) and Melton Vale Post 16 Centre (MV16).

The Trustees have been working with the Priory Federation Academies Trust MAT (PFAT), supporting Belvoir High School. The Trustees in conjunction with the Regional Commissioner have committed to BHS joining PFAT. A multi academy trust partner for MV16 is being investigated and at this time a final decision is yet to be made. When a MAT has been found for MV16, the trustees will support the separation of BHS from MV16 through the appropriate channels of Regional Commissioner and the Education Finance Authority.

Should this plan be finalised, Belvoir and Melton Academy Trust would no longer exist as a separate entity. However in this situation, the trade and assets of Belvoir and Melton Academy Trust would be transferred equitably between the two MATs, where they will continue to operate. All assets continue to be recoverable at the values in the financial statements, all liabilities will be settled at the values in the financial statements and there are no costs to provide for in relation to the cessation of trade, as the trade is not ceasing.

In the event that the plan is not successful, the Governors will need to reassess the financial position and implement a restructuring plan in order to make the Academy financially viable again. At the time of signing these financial statements, there can be no certainty that any restructuring plan will be successful. In the event of restructuring, provisions for certain costs that result from the restructuring might be required.

Due to the financial position of the academy, in particular its negative GAG fund, the Governors have concluded that there are material uncertainties that cast significant doubt on the ability of the Academy to continue as a going concern. Nevertheless, the Governors believe that a viable solution can be found and therefore continue to prepare the financial statements on a going concern basis. The financial statements do not include the adjustments that would result should the entity not be able to continue as a going concern.

BELVOIR AND MELTON ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £2,500 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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.

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.

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

| | | |
|---------------------------|---|---------------------|
| Freehold property | - | 2% straight line |
| L/Term Leasehold Property | - | 2% straight line |
| Furniture & Equipment | - | 20% straight line |
| Computer equipment | - | 33.3% straight line |

Land is not depreciated.

1.7 Operating leases

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

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.9 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 Bank.

1.10 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.

BELVOIR AND MELTON ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.11 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.

1.12 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.

1.13 Liabilities and provisions

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 advance payment 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.

1.14 Financial instruments

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.15 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 23.

1.16 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 and the assets are held separately from those of the academy.

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 21, 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.

BELVOIR AND MELTON ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.16 Pensions (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to 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.

1.17 Critical accounting estimates and areas of judgement

Estimates and judgements 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 21, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Critical areas of judgement:

No key judgements have been applied in the preparation of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

| | Restricted funds 2016 £ | Restricted fixed asset funds 2016 £ | Total funds 2016 £ | Total funds 2015 £ |
|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Donations | 179,678 | - | 179,678 | 153,013 |
| Capital Grants | 24,362 | - | 24,362 | 372,733 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total donations and capital grants | 204,040 | - | 204,040 | 525,746 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

In 2015, all of the total income from donations and capital grants was to restricted funds.

3. ACTIVITIES FOR GENERATING FUNDS

| | Unrestricted funds 2016 £ | Total funds 2016 £ | Total funds 2015 £ |
|---|------------------------------------|-----------------------------|-----------------------------|
| Charity trading income | | | |
| Hire of Facilities income | 17,393 | 17,393 | 15,192 |
| Catering income | 185,251 | 185,251 | 189,952 |
| Other trading income | 63,798 | 63,798 | 136,154 |
| Nursery income | 80,258 | 80,258 | 75,436 |
| | <hr/> | <hr/> | <hr/> |
| | 346,700 | 346,700 | 416,734 |
| | <hr/> | <hr/> | <hr/> |
| Charity trading expenses | | | |
| Hire of facilities expenditure | 17,393 | 17,393 | 15,192 |
| Catering expenditure | 174,082 | 174,082 | 199,999 |
| Other trading expenditure | 59,208 | 59,208 | 102,745 |
| Nursery expenditure | 49,175 | 49,175 | 50,993 |
| | <hr/> | <hr/> | <hr/> |
| | 299,858 | 299,858 | 368,929 |
| | <hr/> | <hr/> | <hr/> |
| Net income from activities for generating funds | 46,842 | 46,842 | 47,805 |
| | <hr/> | <hr/> | <hr/> |

In 2015, all activities for generating funds related to unrestricted funds.

4. INVESTMENT INCOME

| | Unrestricted funds 2016 £ | Restricted funds 2016 £ | Total funds 2016 £ | Total funds 2015 £ |
|---------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Interest receivable | 2,128 | - | 2,128 | 2,921 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

In 2015, all of the total investment income was to unrestricted funds.

BELVOIR AND MELTON ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

| | Restricted funds 2016 £ | Total funds 2016 £ | Total funds 2015 £ |
|--------------------------------|----------------------------------|-----------------------------|-----------------------------|
| DfE/EFA grants | | | |
| General annual grant (GAG) | 5,013,756 | 5,013,756 | 5,296,928 |
| Other DfE/EFA grants | 800 | 800 | 36,438 |
| Pupil premium | 71,727 | 71,727 | 73,899 |
| | <u>5,086,283</u> | <u>5,086,283</u> | <u>5,407,265</u> |
| Other government grants | | | |
| Local authority grants | 63,925 | 63,925 | 44,344 |
| | <u>63,925</u> | <u>63,925</u> | <u>44,344</u> |
| Other funding | | | |
| Exam fees | 9,832 | 9,832 | 8,849 |
| | <u>9,832</u> | <u>9,832</u> | <u>8,849</u> |
| | <u><u>5,160,040</u></u> | <u><u>5,160,040</u></u> | <u><u>5,460,458</u></u> |

In 2015, all of the total income from funding for the Academy's educational operations was to restricted funds.

BELVOIR AND MELTON ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

6. CHARITABLE ACTIVITIES

| | Total funds 2016 £ | Total funds 2015 £ |
|---|-----------------------------|-----------------------------|
| DIRECT COSTS - EDUCATIONAL OPERATIONS | | |
| Wages and salaries | 2,927,092 | 3,037,793 |
| National insurance | 228,865 | 228,860 |
| Pension cost | 469,253 | 526,081 |
| Depreciation | 450,589 | 377,856 |
| Pension income (note 12) | 80,000 | 74,000 |
| Legal and professional fees | 56,468 | - |
| Technology costs | 7,577 | 20,100 |
| Educational supplies | 90,123 | 81,671 |
| Examination fees | 94,479 | 132,852 |
| Staff development and training | 7,536 | 14,239 |
| Educational consultancy | 14,289 | 13,953 |
| Other direct costs | 345,596 | 323,341 |
| | <u>4,771,867</u> | <u>4,830,746</u> |
| SUPPORT COSTS - EDUCATIONAL OPERATIONS | | |
| Wages and salaries | 485,273 | 614,176 |
| National insurance | 52,268 | 34,630 |
| Pension cost | 175,482 | 113,814 |
| Legal and professional fees | 12,072 | 2,312 |
| Technology costs | 85,568 | 103,815 |
| Support staff costs | 6,332 | 23,531 |
| Auditor's remuneration | 16,389 | 14,754 |
| Maintenance of premises and equipment | 47,191 | 62,741 |
| Cleaning | 16,527 | 11,288 |
| Rent and rates | 43,177 | 54,281 |
| Energy costs | 95,514 | 118,279 |
| Insurance | 30,224 | 76,821 |
| Security and transport | 13,265 | 10,975 |
| Catering | 6,079 | 5,949 |
| Bank interest and charges | 2,638 | 2,857 |
| Other support costs | 138,085 | 137,303 |
| Trustees expenses | 3,242 | 3,502 |
| | <u>1,229,326</u> | <u>1,391,028</u> |
| | <u><u>6,001,193</u></u> | <u><u>6,221,774</u></u> |

In 2015, all of the expenditure in relation to charitable activities was to restricted funds.

BELVOIR AND MELTON ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

7. EXPENDITURE

| | Staff costs 2016 £ | Premises 2016 £ | Other costs 2016 £ | Total 2016 £ | Total 2015 £ |
|---|--------------------------|-----------------------|--------------------------|--------------------|--------------------|
| Expenditure on fundraising trading | 118,391 | - | 181,467 | 299,858 | 368,929 |
| Funding for the academy's educational operations: | | | | | |
| Direct costs | 3,681,678 | 359,701 | 730,488 | 4,771,867 | 4,830,746 |
| Support costs | 730,416 | 47,191 | 451,719 | 1,229,326 | 1,391,028 |
| | <u>4,530,485</u> | <u>406,892</u> | <u>1,363,674</u> | <u>6,301,051</u> | <u>6,590,703</u> |

In 2016, of the total expenditure, £299,858 (2015 - £368,929) was to unrestricted funds and £6,001,193 (2015 - £6,221,774) was to restricted funds.

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

| | 2016 £ | 2015 £ |
|---|--------------|--------------|
| Depreciation of tangible fixed assets: | | |
| - owned by the charity | 450,589 | 377,856 |
| Auditor's remuneration - audit | 12,150 | 9,073 |
| Auditor's remuneration - other services | 2,600 | 5,681 |
| Operating lease rentals | <u>5,035</u> | <u>5,035</u> |

BELVOIR AND MELTON ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

9. STAFF COSTS

Staff costs were as follows:

| | 2016 £ | 2015 £ |
|--|-------------------------|-------------------------|
| Wages and salaries | 3,548,149 | 3,835,520 |
| Social security costs | 281,133 | 263,490 |
| Operating costs of defined benefit pension schemes | 644,735 | 639,895 |
| | <u>4,474,017</u> | <u>4,738,905</u> |
| Staff restructuring costs | 56,468 | 30,573 |
| Other costs | - | 24,191 |
| | <u><u>4,530,485</u></u> | <u><u>4,793,669</u></u> |

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

| | 2016 No. | 2015 No. |
|----------------------------|-------------|-------------|
| Teachers | 55 | 61 |
| Administration and support | 46 | 51 |
| Management | 9 | 9 |
| | <u>110</u> | <u>121</u> |

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

| | 2016 No. | 2015 No. |
|-------------------------------|-------------|-------------|
| In the band £60,001 - £70,000 | 2 | 1 |

The above employees participated in the Teachers Pension Scheme (2015 - 1). During the year, pension contributions for these staff amounted to £20,753 (2015 - £8,815).

Redundancy payments totalling £56,468 were made during the year in relation to 6 employees.

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 £395,393 (2015 - £521,387).

BELVOIR AND MELTON ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

10. GOVERNORS' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 4 Governors (2015 - 4) in respect of defined benefit pension schemes.

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Governors 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 Governors. The value of Governors' remuneration and other benefits was as follows:

| | | 2016 £ | 2015 £ |
|--------------------------------|----------------------------|---------------|---------------|
| Mrs J Weymouth, Staff Governor | Remuneration | 40,000-45,000 | 35,000-40,000 |
| | Pension contributions paid | 5,000-10,000 | 5,000-10,000 |
| Mrs J Baker, Staff Governor | Remuneration | 15,000-20,000 | 25,000-30,000 |
| | Pension contributions paid | 0-5,000 | 5,000-10,000 |
| Mr J Carter, Staff Governor | Remuneration | 45,000-50,000 | 25,000-30,000 |
| | Pension contributions paid | 5,000-10,000 | 5,000-10,000 |
| Mr D Brock, Staff Governor | Remuneration | 15,000-20,000 | 10,000-15,000 |
| | Pension contributions paid | 0-5,000 | 0-5,000 |

During the year ended 31 August 2016, expenses totalling £3,242 (2015 - £3,502) were reimbursed to 5 Governors (2015 - 5).

11. GOVERNORS' 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 £3,000,000 on any one claim and the cost for the year ended 31 August 2016 was £2,641 (2015 - £2,641).

12. OTHER FINANCE INCOME

| | 2016 £ | 2015 £ |
|--|-----------------|-----------------|
| Interest income on pension scheme assets | 79,000 | 67,000 |
| Interest on pension scheme liabilities | (159,000) | (141,000) |
| | <u>(80,000)</u> | <u>(74,000)</u> |

BELVOIR AND MELTON ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

13. TANGIBLE FIXED ASSETS

| | Freehold property £ | L/Term Leasehold Property £ | Furniture & Equipment £ | Computer equipment £ | Total £ |
|-----------------------|---------------------------|--------------------------------------|-------------------------------|----------------------------|-------------------|
| Cost | | | | | |
| At 1 September 2015 | 8,498,970 | 12,398,340 | 376,983 | 54,099 | 21,328,392 |
| Additions | - | - | 43,526 | 3,095 | 46,621 |
| At 31 August 2016 | <u>8,498,970</u> | <u>12,398,340</u> | <u>420,509</u> | <u>57,194</u> | <u>21,375,013</u> |
| Depreciation | | | | | |
| At 1 September 2015 | 413,386 | 695,692 | 7,384 | 34,238 | 1,150,700 |
| Charge for the year | 134,071 | 225,630 | 77,499 | 13,389 | 450,589 |
| At 31 August 2016 | <u>547,457</u> | <u>921,322</u> | <u>84,883</u> | <u>47,627</u> | <u>1,601,289</u> |
| Net book value | | | | | |
| At 31 August 2016 | <u>7,951,513</u> | <u>11,477,018</u> | <u>335,626</u> | <u>9,567</u> | <u>19,773,724</u> |
| At 31 August 2015 | <u>8,085,584</u> | <u>11,702,648</u> | <u>369,599</u> | <u>19,861</u> | <u>20,177,692</u> |

Included in freehold property and long term leasehold property is land with a cost of £2,912,280 (2015 - £2,912,280) which is not depreciated.

14. STOCKS

| | 2016 £ | 2015 £ |
|-------------------------------------|------------|--------------|
| Finished goods and goods for resale | <u>828</u> | <u>4,220</u> |

15. DEBTORS

| | 2016 £ | 2015 £ |
|--------------------------------|----------------|---------------|
| Trade debtors | 12,003 | 5,427 |
| Other debtors | 24,618 | 6,369 |
| Prepayments and accrued income | 93,105 | 63,001 |
| | <u>129,726</u> | <u>74,797</u> |

BELVOIR AND MELTON ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

16. CREDITORS: Amounts falling due within one year

| | 2016 £ | 2015 £ |
|------------------------------------|----------------|----------------|
| Trade creditors | 159,719 | 18,738 |
| Other taxation and social security | 88,177 | 77,020 |
| Other creditors | 74,172 | 85,013 |
| Accruals and deferred income | 162,642 | 182,812 |
| | <u>484,710</u> | <u>363,583</u> |

At the balance sheet date the Academy was holding parental contributions received in advanced for future years and grant funding where the Academy was not yet entitled to the funding or where the conditions of the grants were yet to be met.

| | 2016 £ | 2015 £ |
|--------------------------------------|---------------|----------------|
| Deferred income | | |
| Deferred income at 1 September 2015 | 107,461 | 279,597 |
| Resources deferred during the year | 78,045 | 107,461 |
| Amounts released from previous years | (107,461) | (279,597) |
| | <u>78,045</u> | <u>107,461</u> |

BELVOIR AND MELTON ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

17. STATEMENT OF FUNDS

| | Brought Forward £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Carried Forward £ |
|-------------------------------------|----------------------------------|-------------------------|---------------------------|-----------------------------------|----------------------------------|----------------------------------|
| Unrestricted funds | | | | | | |
| General Funds | 118,444 | 348,828 | (299,858) | (4,763) | - | 162,651 |
| Restricted funds | | | | | | |
| General Annual Grant (GAG) | (293,405) | 5,013,756 | (5,063,473) | - | - | (343,122) |
| Pupil premium | 47,861 | 71,727 | (119,588) | - | - | - |
| Other DfE/EFA funds | - | 800 | - | - | - | 800 |
| Local Authority funds | - | 63,925 | (43,177) | - | - | 20,748 |
| Exam fees | - | 9,832 | (9,832) | - | - | - |
| Parental contributions | 2,955 | 179,678 | (177,534) | - | - | 5,099 |
| Minibus fund | 4,393 | - | - | - | - | 4,393 |
| Capital funds | 17,496 | 24,362 | - | (41,858) | - | - |
| Pension reserve | (2,082,000) | - | (137,000) | - | (482,000) | (2,701,000) |
| | <u>(2,302,700)</u> | <u>5,364,080</u> | <u>(5,550,604)</u> | <u>(41,858)</u> | <u>(482,000)</u> | <u>(3,013,082)</u> |
| Restricted fixed asset funds | | | | | | |
| Fixed asset fund | 20,177,692 | - | (450,589) | 46,621 | - | 19,773,724 |
| Total restricted funds | <u>17,874,992</u> | <u>5,364,080</u> | <u>(6,001,193)</u> | <u>4,763</u> | <u>(482,000)</u> | <u>16,760,642</u> |
| Total of funds | <u><u>17,993,436</u></u> | <u><u>5,712,908</u></u> | <u><u>(6,301,051)</u></u> | <u><u>-</u></u> | <u><u>(482,000)</u></u> | <u><u>16,923,293</u></u> |

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

General Annual Grant (GAG)

Funds from the Education Funding Agency for the provision of education in line with the funding agreement. The GAG fund is currently in deficit. The plans to rectify this are detailed in note 1.5 Going Concern.

Pupil premium

Funds received in relation to Pupil Premium funding.

Other DfE/EFA funds

Other funds provided by the DfE/EFA for particular purposes within the Academy's educational operations.

Local Authority funds

Funds received from the local authority for specific projects.

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17. STATEMENT OF FUNDS (continued)

Exam fees

Fees received for the payment of exam re-sits.

Parental Contributions

Funds generated from parents of students for use towards specific educational expenditure, e.g. trips.

Minibus fund

Funds generated from parents and the local community specifically to fund the operation of minibus.

Capital funds

Funds received from various bodies for the purposes of capital and repairs works.

Pension reserve

Being the fund in relation to the defined benefit pension scheme liability included in the Balance Sheet. This fund is in deficit given the nature of the liability, however this is not payable immediately.

Transfer

Relates to the transfer of the purchase of fixed assets from the relevant fund where the income is received to the fixed asset fund.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2016 £ | Restricted funds 2016 £ | Restricted fixed asset funds 2016 £ | Total funds 2016 £ | Total funds 2015 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Tangible fixed assets | - | - | 19,773,724 | 19,773,724 | 20,177,692 |
| Current assets | 162,651 | 172,628 | - | 335,279 | 261,327 |
| Creditors due within one year | - | (484,710) | - | (484,710) | (363,583) |
| Provisions for liabilities and charges | - | (2,701,000) | - | (2,701,000) | (2,082,000) |
| | <u>162,651</u> | <u>(3,013,082)</u> | <u>19,773,724</u> | <u>16,923,293</u> | <u>17,993,436</u> |

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

| | 2016 £ | 2015 £ |
|---|---------------|------------------|
| Net expenditure for the year (as per Statement of financial activities) | (588,143) | (184,844) |
| Adjustment for: | | |
| Depreciation charges | 450,589 | 377,855 |
| Dividends, interest and rents from investments | (2,128) | (2,921) |
| Decrease/(increase) in stocks | 3,392 | (201) |
| (Increase)/decrease in debtors | (54,929) | 38,647 |
| Increase/(decrease) in creditors | 121,127 | (218,119) |
| Capital grants from DfE and other capital income | (24,362) | (372,733) |
| Defined benefit pension scheme cost less contributions payable | 57,000 | 75,000 |
| Defined benefit pension scheme finance cost | 80,000 | 74,000 |
| Net cash provided by/(used in) operating activities | 42,546 | (213,316) |

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2016 £ | 2015 £ |
|--------------|----------------|----------------|
| Cash in hand | 204,725 | 182,310 |
| Total | 204,725 | 182,310 |

21. 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 Hymans Robertson. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £74,063 were payable to the schemes at 31 August 2016 (2015 - 70,332) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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21. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge
- 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 will be as at March 2016, 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 £418,613 (2015 - £382,106).

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 year ended 31 August 2016 was £218,000 (2015 - £238,000), of which employer's contributions totalled £170,000 (2015 - £184,000) and employees' contributions totalled £48,000 (2015 - £54,000). The agreed contribution rates for future years are 21.2% for employers and 5.5 - 10.5% for employees.

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

Principal actuarial assumptions:

| | 2016 | 2015 |
|--|--------|--------|
| Discount rate for scheme liabilities | 2.10 % | 3.80 % |
| Rate of increase in salaries | 3.10 % | 4.60 % |
| Rate of increase for pensions in payment / inflation | 2.10 % | 2.70 % |
| Inflation assumption (CPI) | 2.10 % | 2.70 % |

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21. PENSION COMMITMENTS (continued)

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

| | 2016 | 2015 |
|----------------------|------------|------------|
| Retiring today | | |
| Males | 22.2 years | 22.2 years |
| Females | 24.3 years | 24.3 years |
| Retiring in 20 years | | |
| Males | 24.2 years | 24.2 years |
| Females | 26.6 years | 26.6 years |
| Sensitivity analysis | | |

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below

| Change in assumptions at 31 August 2016 | Approximate % increase to Employer Liability | Approximate monetary amount (£) |
|--|---|---------------------------------------|
| 0.5% decrease in Real Discount Rate | 13% | 705,000 |
| 1 year increase in member life expectancy | 3% | 160,000 |
| 0.5% increase in the Salary Increase Rate | 6% | 298,000 |
| 0.5% increase in the Pension Increase Rate | 7% | 383,000 |

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

| | Fair value at 31 August 2016 £ | Fair value at 31 August 2015 £ |
|------------------------------|---|---|
| Equities | 1,889,000 | 1,307,000 |
| Debt instruments | 470,000 | 416,000 |
| Property | 234,000 | 218,000 |
| Cash | 26,000 | 40,000 |
| Total market value of assets | <u>2,619,000</u> | <u>1,981,000</u> |

The actual return on scheme assets was £267,000.

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

| | 2016 £ | 2015 £ |
|--|------------------|------------------|
| Current service cost (net of employee contributions) | (227,000) | (259,000) |
| Net interest cost | (80,000) | (74,000) |
| Total | <u>(307,000)</u> | <u>(333,000)</u> |

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21. PENSION COMMITMENTS (continued)

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

| | 2016 £ | 2015 £ |
|------------------------------------|------------------|------------------|
| Opening defined benefit obligation | 4,063,000 | 3,681,000 |
| Current service cost | 227,000 | 259,000 |
| Interest cost | 159,000 | 141,000 |
| Contributions by employees | 48,000 | 54,000 |
| Actuarial losses/(gains) | 848,000 | (53,000) |
| Benefits paid | (25,000) | (19,000) |
| | <u>5,320,000</u> | <u>4,063,000</u> |
| Closing defined benefit obligation | <u>5,320,000</u> | <u>4,063,000</u> |

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

| | 2016 £ | 2015 £ |
|---|------------------|------------------|
| Opening fair value of scheme assets | 1,981,000 | 1,691,000 |
| Return on plan assets (excluding net interest on the net defined pension liability) | 79,000 | 67,000 |
| Actuarial gains and (losses) | 366,000 | 4,000 |
| Contributions by employer | 170,000 | 184,000 |
| Contributions by employees | 48,000 | 54,000 |
| Benefits paid | (25,000) | (19,000) |
| | <u>2,619,000</u> | <u>1,981,000</u> |
| Closing fair value of scheme assets | <u>2,619,000</u> | <u>1,981,000</u> |

22. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

| | 2016 £ | 2015 £ |
|-------------------------|---------------|---------------|
| Amounts payable: | | |
| Within 1 year | 5,035 | 5,035 |
| Between 1 and 5 years | 7,973 | 13,008 |
| Total | <u>13,008</u> | <u>18,043</u> |

23. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2016 the trust received £50,743 (2015 - £50,862) and disbursed £39,221 (2015 - £36,438) from the fund. An amount of £25,945 (2015 - £14,424) is included in other creditors relating to undistributed funds that could become repayable to EFA.

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24. 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 10.

25. MEMBERS' LIABILITY

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

26. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

| RECONCILIATION OF TOTAL FUNDS | Notes | 1 September 2014 £ | 31 August 2015 £ |
|--------------------------------------|--------------|-------------------------------|-----------------------------|
| Total funds under previous UK GAAP | | 17,993,436 | 18,121,280 |
| Total funds reported under FRS 102 | | <u>17,993,436</u> | <u>18,121,280</u> |

| Reconciliation of net (expenditure) | Notes | 31 August 2015 £ |
|---|--------------|-----------------------------|
| Net (expenditure) previously reported under UK GAAP | | (152,844) |
| Change in recognition of LGPS interest cost | A | <u>(32,000)</u> |
| Net movement in funds reported under FRS 102 | | <u>(184,844)</u> |

Explanation of changes to previously reported funds and net income/expenditure:

A - Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in expenditure. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expenditure. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expenditure by £32,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.