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TRUSTEES' REPORT**REFERENCE AND ADMINISTRATIVE DETAILS**

Board of Trustees (Academy Trust Board)	Position
Tom Beardmore-Gray (resigned 23/03/2018)	* Trustee
Cheryl Giovannoni (Accounting Officer)	Trustee
Joanna Greenslade (resigned 31/08/2018)	* Trustee
Richard Harris (resigned 27/07/2018)	Trustee
Kathy Anstey (appointed 01/01/2018)	Trustee
Alison Kinman-Carroll	Trustee
Nigel Lawrence (resigned 31/12/2017)	Trustee
Simon Martin (resigned 31/08/2018)	* Trustee
Jonathan Davis (appointed 22/03/2018)	* Trustee
Judith Simons (appointed 17/01/2018)	Trustee

Helen Williams Chair of trustees

* denotes member of the ATB Finance, Audit and Risk Committee

Academy Principals

Mrs R Mahony Birkenhead High School Academy
Mr P M Kennedy Belvedere Academy

Company Number 06000347

Registered Office: 10 Bressenden Place
London
SW1E 5DH

Auditors: Grant Thornton UK LLP
Chartered Accountants, Registered Auditors
4 Hardman Square
Spinningfields, Manchester
M3 3EB

Bankers: The Royal Bank of Scotland
9th Floor
280 Bishopsgate
London
EC2M 4QN

Solicitors: Withers LLP
20 Old Bailey
London
EC4M 7EY

TRUSTEES' REPORT

The trustees of the GDST Academy Trust ('the Academy Trust'), who are also directors of the Academy Trust for the purposes of the Companies Act, present their statutory report and the audited accounts for the year ended 31 August 2018. The Trustees' Report serves as both a trustees' report, and a directors' report under company law. Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 3.

The financial statements have been prepared in accordance with the accounting policies on pages 30 to 36 of the attached financial statements and comply with the charitable company's memorandum and articles of association, the Companies Act 2006 and 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 report has been prepared in accordance with the Charities Act 2011.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee (No. 06000347) and is an exempt charity. The company's memorandum and articles of association are the primary governing documents of the Academy Trust. Membership of the Academy Trust comprises the following:

- The Girls' Day School Trust (the initial subscriber and principal sponsor)
- The holders of the offices of Chairman and Deputy Chairman of the Girls' Day School Trust *ex officio*

The Secretary of State for Education (DfE) has the right to appoint one person to the membership of the Academy Trust. This right has not yet been exercised.

The members may unanimously agree to appoint such additional members as they think fit.

Principal Activities

The Academy Trust operates two academies for girls, namely The Belvedere Academy ("Belvedere") in Liverpool and Birkenhead High School Academy ("Birkenhead" or "BHSA") on the Wirral to:

- Advance the education of girls for the public benefit; and
- to promote for the benefit of the public/social welfare the provision of facilities for recreation or other leisure time occupation.

TRUSTEES' REPORT

Members' liability

Each member of the Academy Trust undertakes to contribute such amount as may be required (not exceeding £10) to the Academy Trust's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member for the payment of the Academy Trust's debts and liabilities contracted before he or she ceases to be a member.

Trustees

The Academy Trust has provision for the following trustees (governors):

- The Girls' Day School Trust (initial subscriber and principal sponsor) may appoint up to ten sponsor trustees;
- The Chair of each academy's Local Governing Body, provided that the number does not exceed three.

All trustees receive induction training and are supplied with copies of policies, procedures, minutes, budgets, plans and other documents that they will require to undertake their role as trustee. During the period, the trustees held 4 meetings.

Trustees receive no remuneration or benefits in respect of their duties as trustees but are reimbursed for expenses incurred in carrying out their duties. The amount of expenses reimbursed to trustees in the year was nil (refer to Note 9 to the financial statements).

In accordance with normal commercial practice, the Academy Trust purchases insurance to protect trustees from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The cost of this insurance is included in the total insurance cost, details of which are shown in note 10 to the financial statements.

Under the terms of the Academy Trust's Memorandum, the Academy Trust may enter into a contract for the supply of goods or services with the Girls' Day School Trust or any of its subsidiaries at any time when a trustee is a member or employee of the Girls' Day School Trust or such trading subsidiary. Goods or services acquired under such a contract must actually be required by the Academy Trust, the level of remuneration must be reasonable in relation to the value of the goods or services and no trustee (or connected person) shall have a pecuniary interest which conflicts with the Academy Trust's interests. The Academy Trust has entered into an agreement with the Girls' Day School Trust to provide particular services on this basis (described in note 25 to the financial statements).

Organisational structure

The organisational structure consists of three levels: the Academy Trust Board (the trustees); in addition, each academy within the Trust will have a Local Governing Body and a Senior Management Team.

The Academy Trust Board (the ATB) is responsible for the overall strategic direction of each academy and for those statutory duties which may not be delegated to sub-committees. The principal roles of the ATB are:

TRUSTEES' REPORT

- to set the Trust's strategy;
- to monitor each academy's performance against key performance indicators;
- to maintain the financial stability of the Trust;
- to review the Trust's policies and procedures that provide internal control and mitigate risk.

The Local Governing Bodies (LGBs) are committees of the Academy Trust Board (ATB). Legal responsibility for the Academy Trust lies with the ATB but the ATB relies on advice and support from the LGBs. The key purposes of the LGBs are:

- to monitor the academy's financial and academic performance;
- to develop strategic policies which reflect the academy's vision and ethos;
- to promote the academy and foster links with the local community.

The Senior Management Team (SMT) of each academy will typically include the Principal, Vice Principals, Assistant Vice Principals, the Finance Director, Administration Manager, Estates Manager and ICT Manager. These managers control the academy at an executive level implementing the policies approved by the Academy Trust Board.

The salaries of the Principals are determined by the ATB. The Principals are responsible to the ATB for the appointment of staff and their salary grading. For those members of SMT on the teachers' pay scale, salaries and other allowances are increased in accordance with the annual percentage increase agreed for teachers in the maintained sector by the Secretary of State for Education. For SMT members on the support staff pay scale, the rates of pay which will apply are those generally prevailing for comparable employment in the public sector and are increased in line with increases agreed by the appropriate national negotiating bodies in those sectors.

Trade Unions Facility Time

Relevant Union Officials

Number of employees who were relevant union officials during the year	Full-time equivalent employee number
3	3

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	1
1%-50%	2
51%-99%	0
100%	0

TRUSTEES' REPORT**Trade Unions Facility Time (continued)****Percentage of pay bill spent on facility time**

Total cost of facility time (£'000)	2
Total pay bill (£'000)	9,067
% of total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) X 100	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100%
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Connected Organisations

The Academy Trust works closely with its principal sponsor, the Girls' Day School Trust, its co-sponsor of the Belvedere Academy, the HSBC Education Trust, the DfE, the Education and Skills Funding Agency, the Local Education Authorities and other local organisations.

OBJECTIVES AND ACTIVITIES FOR PUBLIC BENEFIT

The principal objective of the Academy Trust is to advance education for the public benefit, by establishing, maintaining, operating and developing schools, including but not limited to academies, offering a broad curriculum with a strong emphasis on the specialisms specified in the relevant Funding Agreements. In setting the Trust's objectives and planning its activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The catchment area for the Belvedere Academy is Merseyside and the surrounding areas, whilst that for the Birkenhead High School Academy is Wirral and the surrounding areas. Each academy's admissions policy is included in its Funding Agreement and applications for places at the academies are made in accordance with the relevant local authority's co-ordinated admission arrangements.

The Academy Trust aims to work with others to create a healthy, safe environment within which all of its pupils can enjoy learning, make progress and achieve high standards. Each pupil is encouraged to participate fully and make a positive contribution to their academy and the wider community and ultimately become successful, motivated, well-adjusted adults who achieve economic well-being.

In addition, the Academy Trust promotes the provision of its facilities for recreation, sports and other leisure time occupation for the benefit of the public/social welfare.

TRUSTEES' REPORT

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The following paragraphs present a review of the significant activities undertaken by the Academy Trust during the year to further its charitable purposes for public benefit.

Pupil Numbers

Demand for entry to both academies continues to be strong, with applications far exceeding the available number of places in the Junior School and the Senior Schools at Year 7. At Sixth Form level, Belvedere continues to sustain close to capacity numbers whilst Birkenhead High School Academy (BHSA) faces increasing competition from local competitors and Sixth Form retention and recruitment remains an area of particular focus.

Pupil numbers at BHSA currently stand at 394 in Juniors, 568 in Seniors and 147 in the Sixth Form, making a total of 1109 (September 2017: 1091). The junior school Pupil Admission Number (PAN) is 56, whilst the senior school PAN increased by 27 to 135 in September 2018.

Belvedere is heavily over-subscribed; the PAN was 130 in September 2017 and the academy is at capacity with pupil numbers standing currently at 912. The Sixth Form continues to be a popular option with over 80% of Belvedere girls choosing to stay on after GCSEs. The Sixth Form currently stands at 262 with 34 girls being recruited from external schools.

Academic results

The 2017/18 examination results at all key stages were once more very strong and place the academies well above national expectations in most cases. The new GCSE in Maths and English introduced in the previous year continued to make it a very challenging year for teachers and students throughout the country. BHSA was pleased to maintain its place as one of the highest performing non-selective schools on the Wirral whilst Belvedere was in the top two non-selective girls' schools in Liverpool.

At 'A' level, Belvedere saw over half of their grades at A*-B and based on these results, 80% of Belvedere students achieved their first university choice. BHSA achieved over a third of their grades at A*-B allowing 75% of students to achieve their first university choice.

Each academy's outcomes (based on the new key performance indicators where relevant) are shown in the tables overleaf;

TRUSTEES' REPORT

Key Stage 4	17/18 (*)	17/18	17/18	16/17 (*)	16/17	16/17
	Birkenhead	Belvedere	National (#)	Birkenhead	Belvedere	National (#)
Progress 8	+0.24	+0.34	-0.02	+0.48	+0.36	0.00
Attainment 8	50.33 points	60.18 points	44.3 points	49.3 points	60.0 points	44.2 points
% of students gaining Grade C/4 or above in English & Maths	74.1%	90%	66.9%	65.4%	88%	63.3%
% of students gaining Grade 5 or above in English & Maths	44%	76%	39%	33%	67%	43%

Key Stage 5	17/18 (*)	17/18	17/18	16/17 (*)	16/17	16/17
	Birkenhead	Belvedere	National (#)	Birkenhead	Belvedere	National (#)
Grades at A*/A	16.2%	33.7%	26.2%	27.5%	20.2%	26.1%
Grades at A*-B	36.2%	57.6%	54.2%	48.5%	50.7%	54.4%
Overall Pass Rate at A level	94.3%	99.0%	98.1%	93.6%	99.6%	98.3%

(*) The Key Stage 4 & Key Stage 5 2017/18 results are provisional. Final results will be published in January 2019.

(#) National Girls' figure

2017/18 was a very successful year for pupils at Birkenhead Junior School, with BHSA students continuing to show an overall improving picture in the new external standards (2016).

Early Years Attainment	17/18	16/17
Good Level of Development	82%	73%

A Good Level of Development is achieved at the end of Foundation 2 when pupils achieve at least the 'expected' level in all prime areas plus all numeracy and literacy areas.

TRUSTEES' REPORT

Key Stage 1 Attainment	17/18	16/17
Phonics Screening Check Year 1	84%	81%
Working at or beyond the national standard in		
Reading	88%	81%
Writing	73%	78%
Maths	72%	71%
Key Stage 2 Attainment and Progress	17/18	16/17
Reading - % at and beyond national standard	88%	84%
Reading - Progress score	-1.5	0.74
Writing- % at and beyond national standard	73%	90%
Writing – Progress score	-0.7%	2.23
Grammar, Punctuation & Spelling - % at and beyond national standard	82%	78%
Maths - % at and beyond national standard	71%	71%
Maths - Progress score	-3.3	-2.25

Highlights of the Year

BHSA have received recognition from Wirral Local Authority for an improvement of 7% in phonic outcomes and for the school being graded as a Band 1 school following a review of outcomes at the end of each Key Stage in 2018. Wirral Local Authority grade all schools and allocate a Band between 1 and 4 with 1 being outstanding. The criteria they use to allocate the band is pupil outcomes at the end of each Key Stage and the most recent Ofsted report for the school. Band 1 schools are asked to support other local schools in sharing their excellent practice

A particular focus this year throughout the academy has been Student Leadership ranging from Eco Warriors in the Junior School through to our Head Girl running the Powerful Women Project. We continue our highly successful Reading Discovery Programme and whole school literacy focus and held an exciting author event with Clare Balding during the year.

At a time of financial constraints, the ongoing support of the Parents Association is vital to the academy and their fundraising efforts enable the school to access resources that the budget would not ordinarily stretch to but which have a significant impact on teaching and learning.

Belvedere Academy's Performing Arts faculty have been shortlisted for an "Outstanding Arts at a Secondary School" award at this year's Educate Awards for the spring 2018 production of "A Night at the Musicals" which played to sell-out audiences over three nights.

TRUSTEES' REPORT

Following their successful tour of Prague last year, the Belvedere Chamber Choir this year toured Venice, singing at the Church of San Giorgio Maggiore and The Basilica of St Anthony of Padua. The highlight of the tour was performing a cappella during mass in the Basilica di San Marco.

Belvedere Academy have secured funding to start the first Belvedere Academy Royal Navy Cadet Force. The cadets have already undertaken an Experience Day where they learnt basic sailing skills. The unit has now formally begun with the official opening being Spring 2019.

FINANCIAL REVIEW

The financial position of the Academy Trust is detailed in the following pages.

Most of the Academy Trust's income is obtained from the Education and Skills Funding Agency in the form of recurrent and capital grants, the use of which is restricted to particular purposes. The grants received during the period and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Capital grants and donations received from the Education and Skills Funding Agency and sponsors during the year amounted to £74,539 (2017: £87,622). In accordance with the Charities Statement of Recommended Practice (FRS 102), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation over the expected useful life of the assets concerned. The depreciation charge for the year on these assets was £880,471 (2017: £919,655).

Recurrent grants of £9,807,710 (2017: £9,587,818) were received from the Education and Skills Funding Agency, Local Authorities and other Government bodies. Expenditure covered by these grants amounted to £10,390,298 (2017: £10,404,035). Such grants and expenditure are shown in the restricted general fund in the Statement of Financial Activities.

Unrestricted income and expenditure in the period amounted to £954,615 (2017: £993,723) and £749,947 (2017: £709,376) respectively.

At 31 August 2018 the net book value of fixed assets was £30,550,069 (2017: £31,360,838) and movements in fixed assets are shown in Note 11 to the financial statements. The cost of fixed asset additions in the year amounted to £69,663 (2017: £62,431).

Reserves policy

The Academy Trust Board reviews the level of reserves annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. It is the trustees' policy to maintain a minimum level of reserves

TRUSTEES' REPORT

Reserves policy (continued)

of £500,000 and to build up free reserves which can be used for future education purposes in line with each academy's development plan. The trustees will ensure that the reserves policy continues to conform to the requirements laid down in the Academies' Financial Handbook produced by the DfE.

Having taken account of the risks to which the Trust is exposed, the trustees consider the current level of reserves to be appropriate. Free Reserves (total of restricted general funds (excluding the defined benefit pension liability) and unrestricted general funds) at the end of the period amounted to £747,792.

As both academies are on census based pupil number funding, the Academy Trust is not subject to any limit on the amount of General Annual Grant that may be carried forward, thus allowing the trustees to ensure that adequate reserves may be built up.

The Restricted Fixed Asset Fund may only be realised by disposing of tangible fixed assets. The balance at 31 August 2018 was £30,786,120.

In accordance with FRS 102, it is necessary to charge projected pension scheme deficits to the Restricted General Fund for those pension schemes where the assets and liabilities of the scheme can be separately identified. This has resulted in a reduction in restricted reserves of £2,098,000. It should be noted that this is an accounting estimate of a long-term liability which has not crystallised and has no immediate impact on the Academy Trust's liquidity.

Investment Policy

The trustees have authorised the use of short term deposit accounts and notice deposit accounts in respect of cash held which is surplus to immediate requirements.

Principal Risks and Uncertainties

The trustees are responsible for the management of the risks to which the Academy Trust is exposed and are assisted in this task by the Local Governing Bodies, the Senior Management Teams of the academies and the specialist Health and Safety and Human Resource advisors at the Girls' Day School Trust (the main sponsor).

The Trust's risk management procedures have been reviewed during the year and the trustees are satisfied that the major risks identified have been considered by the trustees and processes have been established to manage those risks where necessary. As a result of their risk assessment, the trustees consider that the key risks facing the Trust continue to be:

- Long term funding from ESFA not sufficient to support the required Academies offer.
- Academies' Sixth Forms not oversubscribed in the long term – impacting on results and finances.
- The Academy Trust may have pension scheme commitments that it is unable to meet.

TRUSTEES' REPORT

The strategies employed to manage these risks include the regular review of long term financial forecasts and actuarial valuations of the pension schemes allowing adequate time for appropriate action to be taken.

Going Concern

After making appropriate enquiries, the ATB has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future, being a period of not less than 12 months from the date of approval of these financial statements. Three year forecasts to 2020/21 have been prepared by each Academy and agreed by the ATB after detailed discussion. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Fundraising

The Academy Trust only held small fundraising events during the year including non-uniform days and cake sales. The Academy Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

PLANS FOR FUTURE PERIODS

Following a detailed and extensive review of the academies' cost bases and potential additional areas for income generation, the 2018/19 budgets have been approved by the trustees at an in year surplus of £55,000 for BHSA. An in year deficit of £26,000 has been forecast for Belvedere due to increased teaching costs in view of a planned expansion which would increase the PAN by 25 from September 2019.

The main overall objective for both academies is to maintain their OFSTED outstanding ratings and in order to achieve this, the key priorities for future periods have been identified as follows:

Birkenhead High School Academy

- to provide consistently outstanding or good teaching across the academy
- to monitor progress throughout the school for all students but particularly for identified cohorts such as vulnerable groups and high achievers
- to achieve outstanding behaviour for learning via a review of the behaviour awards system and ongoing training for staff
- development of student leadership opportunities
- maintain financial and operational efficiency in the current difficult funding climate by exploring every initiative for additional income generation and cost reduction.

Belvedere Academy

- to continue developments in the areas of curriculum, assessment and teaching and learning

TRUSTEES' REPORT

- to enhance staff development by ongoing review of staffing structures and the provision of appropriate training programmes
- the continued promotion of safeguarding and wellbeing for both students and staff the management and development of the academy's resources in terms of ensuring financial stability, making the most effective use of the school estate and formulation of a long term ICT strategy.

The trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust aims to establish equal opportunities in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

DISABLED PERSONS

The policy of the Academy Trust is to support the recruitment and retention of pupils and employees with disabilities. Disabled employees are accorded equal opportunities for training, career development and promotion.

AUDITORS

Statement as to disclosure of information to Auditors

Grant Thornton UK LLP were appointed as auditors to the Academy Trust in February 2014.

The trustees confirm that so far as they are aware, there is no relevant audit information of which the Academy Trust's auditors are unaware. They have taken all steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the Academy Trust's auditors are aware of that information.

The report of the Trustees, incorporating a strategic report, was approved by the Trustees on 11 December 2018 and signed on their behalf by:



Jonathan Davis
Trustee

TRUSTEES' REPORT

GOVERNANCE STATEMENT

Scope of Responsibility

The trustees acknowledge that they have overall responsibility for ensuring that the 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 Academy Trust Board ("ATB") has delegated the day-to-day responsibility to the Principals and Accounting Officer for ensuring financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities assigned to it in the funding agreements between the Academy Trust and the Secretary of State for Education. They are also responsible for reporting any material weaknesses or breakdowns in internal control to the ATB.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Academy Trust Board has formally met four times during the year and the Finance, Audit and Risk Committee has met five times. Attendance during the year at meetings was as follows:

Academy Trust Board Trustee	Meetings attended	Out of a possible
Kathy Anstey	1	2
Tom Beardmore-Gray	3	3
Jonathan Davis	1	1
Cheryl Giovannoni	3	4
Joanna Greenslade	4	4
Richard Harris	3	4
Alison Kinman-Carroll	4	4
Nigel Lawrence	1	1
Simon Martin	3	4
Judith Simons	3	3
Helen Williams	4	4

ATB Finance, Audit and Risk Committee Member	Meetings attended	Out of a possible
Jo Greenslade	4	4
Tom Beardmore-Gray	3	3
Simon Martin	3	4
Jonathan Davis	1	1

The Academies Financial Handbook 2017/18 recommends Trustees meet formally six times a year. The Trustees of the Academy Trust met four times and consider this sufficient given