

BRAMPTON MANOR TRUST



BRAMPTON MANOR TRUST

(A Company Limited by Guarantee)

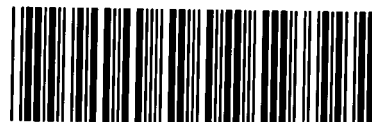


ANNUAL REPORT AND FINANCIAL STATEMENTS

For the Year ended 31 August 2017

Company Limited by Guarantee Registration Number:
07540236 (England and Wales)

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BRAMPTON MANOR TRUST

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BRAMPTON MANOR TRUST

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2017

Directors	Marion Faust (Chair) Laura King Ian Porter (appointed 17 th January 2017) Julia Hodgson (appointed 24 th April 2017) Mohammed Rahman Dayo Olukoshi
Members	Marion Faust Mohammed Rahman Dayo Olukoshi
Local Governing Body (Brampton)	Gurjit Shergill (Chair) Pawan Dovedi (Parent) Anubha Bhunjun (Parent) Michael Acquah (Parent) Shalina Begum (Parent) Matthew Gass Aqil Ghiavadvala Darren Avery (Resigned 26 June 2017) Radha Kaur (Resigned 12 July 2017) Thom Rawlinson Dayo Olukoshi (Principal) Stuart Roberts (Staff)
Local Governing Body (Langdon)	Sam Dobin (Chair) Janice Boakye (Vice Chair) Arunasalam Pirapaharan (Parent) Claudia Rabess (Parent) Bob Singha (Parent) Carlene Rowe (Co-opted) Stuart Roberts (Co-opted) Antony Twyman (Co-opted) Kevin Reid (Co-opted) Peter Whittle (Principal) Pinda Jagdev (Staff)
Company Secretary	Browne Jacobson
Chief Executive Officer	Dayo Olukoshi

BRAMPTON MANOR TRUST

Senior Leadership Team

Brampton Manor Academy

Dayo Olukoshi, Executive Principal
Stuart Roberts, Vice Principal
Anthony Twyman, Vice Principal
Tabitha Kaiser, Vice Principal
Mohammed Rahman, Vice Principal
Fiona O'Brien, Assistant Principal
Russell Smith, Assistant Principal
Janice Boakye, Assistant Principal
Gary Price, Assistant Principal
Sam Dobin, Assistant Principal
Jessica Steward, Assistant Principal
Awal Gani, Assistant Principal
Mark Balaam, Assistant Principal
Iyabo Ijasanmi, Assistant Principal
Kit Lam, Executive Director of Finance and Operations

Senior Leadership Team (cont.)

Langdon Academy

Peter Whittle, Principal
Jamie Brooks, Head of School (Secondary)
Claire Bolt, Head of Primary Phase
Duncan Stickley, Vice Principal
Oluwafunmi Kubweza, Vice Principal
Sukaina Sesay, Vice Principal
Gurjit Shergill, Vice Principal
Munim Uddin, Assistant Principal
John Bilby, Assistant Principal
Sultan Hussain, Assistant Principal
Addela Khan, Assistant Principal
Sahar Ali, Assistant Principal
Husna Haque, School Business Manager

Executive Leadership Team

Dayo Olukoshi, Executive Principal
Peter Whittle, Principal, Langdon Academy
Jamie Brooks, Head of School (Secondary), Langdon Academy
Kit Lam, Executive Director of Finance and Operations

Registered Office

Brampton Manor Academy
Roman Road
East Ham
E6 3SQ

Independent Auditor

Price Bailey LLP
Chartered Accountants
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

BRAMPTON MANOR TRUST

Banker

Lloyds TSB
14 High Street South
East Ham
London
E6 2HN

Solicitor

Browne Jacobson
6th Floor
77 Gracechurch Street
London
EC3V 0AS

Surveyor

Kemsley LLP
113 New London Road
Chelmsford
Essex
CM2 0QT

BRAMPTON MANOR TRUST

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2017

The directors present their Annual Report together with the financial statements and Auditor's Report of the charitable company for the period to 31 August 2017. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The academy trust comprises the following Schools:-

- Brampton Manor Academy, an 11-18 mixed gender school with 2000+ pupils on roll.
- Langdon Academy, a 3-16 mixed gender school also with 2000+ pupils on roll.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The directors of Brampton Manor Trust are also the directors of the charitable company for the purposes of company law. The terms trustee and director are interchangeable in this report. The charitable company is known as Brampton Manor Trust.

Details of the directors and governors who served throughout the year except as noted are included in the Reference and Administrative details on page 1. Throughout this Report the term trustee or director refers to a member of the board of directors. The term governor refers to a member of a local governing body (LGB).

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while he or she is 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.

Directors' Indemnities

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

Method of Recruitment and Appointment of Directors

- The management of the academy trust is the responsibility of the directors who are appointed under the terms of the articles of association.
- Directors are subject to retirement after a term of 4 years. After the term they are eligible for re-election at the meeting at which they retire.
- The make-up of the board includes experienced professionals, many of whom have a good understanding of the operational and legal requirements of running an establishment such as Brampton Manor Academy Trust.

Method of Recruitment and Appointment or Election of Governors

- Parent governors are appointed by election of parents of students attending each academy.
- Staff governors are appointed by election of staff employed by each academy.
- Community governors may be appointed by the directors.
- Co-opted governors may be appointed by those directors who are not themselves co-opted directors.
- Member's governors may be appointed directly by members.
- The principal / executive principal automatically becomes an ex-officio governor.
- Further governors may be appointed by the Secretary of State.

BRAMPTON MANOR TRUST

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

Governors are appointed for a four year term with the exception of the executive principal who is entitled to be a governor for as long as he or she is executive principal. The parent governor will cease to hold office if their child at the academy ceases to be a registered pupil. The staff governor will also cease to hold office if they are no longer employed by the academy trust. Local governing body members are subject to retirement by rotation but are eligible for re-election at the meeting at which they retire. At each annual general meeting of the charitable company any remaining governor may be re-appointed or re-elected.

The local governing body requires a breadth and depth of experience to carry out its duties effectively and efficiently. When recruiting governors, emphasis is placed on skills and experience required of the local governing body.

Policies and Procedures Adopted for the Induction and Training of Directors and Governors

As there are only normally a handful (one or two) of new governors in a year and as the backgrounds of individual governors differs hugely, induction tends to be informal and tailored to the needs of the individual.

All directors joining the trust board are provided key documents as part of the induction training, including copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as directors. All new directors will also be given a tour and the chance to meet with staff and students from each academy within the trust. Assessment is made by the chair of the board, whether specific training is required by any individual director. Where necessary, training will be provided on educational, legal and financial matters.

Organisational Structure

The directors are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy trust by the use of budgets and making major decisions about the direction of the academy trust, capital expenditure and senior staff appointments. The board delegates certain elements of its functions to two committees: the finance, premises, staffing and audit committee and the local governing bodies. These meetings are also attended by relevant members of the academy trust's senior leadership team (SLT). The executive principal is an ex-officio director and member of the academy trust, and is the accounting officer.

The leadership structure consists of the trust board (the directors), the local governing bodies and the academy leadership teams. The academy leadership team operates at two levels: executive leadership team (ELT) and senior leadership team (SLT).

The executive leadership team comprises the executive principal, principal (Langdon Academy), head of secondary school (Langdon Academy) and executive director of finance and operations (EDFO). These leaders are responsible for implementing policies laid down by the directors and reporting back to them. The ELT are also responsible for the authorisation of spending within agreed budgets and the appointment of staff, although appointment boards for posts in the executive or senior leadership team always involves a director. The local governing bodies are responsible for implementing the core purpose of the schools, which are to ensure a high quality of teaching and learning, good achievement by all pupils and high standards of behaviour and safety. The SLT at each academy (along with the local governing bodies) are responsible for the day to day operation of the academy – in particular, organising the teaching staff and ensuring the effective deployment of resources to promote excellent outcomes for all pupils.

The key management personnel of the academy trust are defined as the trustees and the senior leadership team of each academy.

The executive principal directly line manages the principal at Langdon Academy, the EDFO and members of the SLT at Brampton Manor Academy. The principal at Langdon Academy directly line manages the members of the SLT at Langdon Academy.

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the Trust may continue. It is the policy of Brampton Manor Trust (BMT) that training, career development and promotion opportunities should be available to all employees.

BRAMPTON MANOR TRUST

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

Employee consultation

Regular meetings are held with staff in our academies to brief them on major issues and discuss local issues. Each academy also ensures that all staff are kept fully briefed through a variety of mechanisms, including daily briefings, notice boards, newsletters and the school intranet. In addition, staff have the ability to access the BMT website and intranet for more information. All new staff joining BMT are fully inducted. All BMT Principals meet on a regular basis to share knowledge and best practice.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The executive principal carries out the substantive duties of principal for Brampton Manor Academy and also chief executive officer and accounting officer for the trust (Brampton Manor Academy and Langdon Academy). The executive principal has direct line management responsibility for the principals of the schools within the trust and is directly accountable to the board of directors. The executive principal's pay reflects these duties and responsibilities. The executive principal's performance is reviewed annually by nominated directors (supported by an external adviser) and pay is determined by the directors, including any recommendations for pay increases.

The principal of Langdon Academy reports directly to the executive principal. The principal's pay scale is set by the directors taking into account the needs of the academy and the responsibilities of the post-holder. The directors will set the pay range within the appropriate pay scales and groups in the standard teachers' pay conditions document (STPCD). Any additional payments will be determined by the board of directors and the executive principal.

The pay range for the leadership group, which includes head of schools, vice principals, and assistant principals, executive director of finance and operations and director of finance will be set by the directors, after taking into account the current STPCD and the principal's pay range. Leadership pay progression is subject to performance and is appraised annually. In order to qualify for pay progression, there must be demonstrable evidence of sustained high quality performance. Provided that performance has reached the requisite standard, up to two increments may be awarded at each pay review.

The directors must constitute an executive principal's pay committee to determine the executive principal's pay and performance objectives. The director's will be assisted by an appropriately qualified external adviser. The appraisal of the other principal's within the trust is delegated to the executive principal, who will report directly to the board of directors.

Related Parties and other Connected Charities and Organisations

Full details of related party transactions are shown in note 24.

The academy trust works closely with its main funders the Department for Education, the Local Education Authority and other local organisations.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the charitable company is the operation of Brampton Manor Academy and Langdon Academy, to provide education for pupils within the East Ham area.

Objectives, Strategies and Activities

The principal object and activity of the charitable company is to provide high quality education for pupils of different abilities between the ages of 3 to 18. Admissions into our schools is handled on our behalf by Newham admissions service.

The main objectives of the academy trust for the year ended 31st August 2017 is summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to continue to raise the standard of educational achievement of all pupils and thereby maintain the academy's local and national reputation;
- to improve the effectiveness of the academies by keeping the curriculum and organisational structure under continual review;

BRAMPTON MANOR TRUST

• DIRECTORS' REPORT (continued) • FOR THE YEAR ENDED 31 AUGUST 2017

- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce;
- to conduct the academy's business in accordance with the highest standards of integrity, probity and openness;
- to continue to use academy freedoms to improve working practices and outcomes for all stakeholders; and
- to take advantage of being a new "all-through" academy trust, to enable progression and continuity from the primary through to the sixth form and allowing all of our students within the academy trust to benefit from our excellent specialist facilities.

Public Benefit

In setting our objectives and planning our activities our directors have given careful consideration to the Charity Commission's general guidance on public benefit. The key public benefit delivered by the academy trust is the provision of high quality of education to its students. Beyond this, the academy trust aims to offer an education for the whole individual providing exceptional opportunities for personal as well as academic success. The academy trust seeks to provide for the cultural, physical, spiritual as well as academic development of students. The wide range of extra-curricular activities, educational trips and visits and community projects offered and taken up by our students contribute to an academy that encourages students to thrive. As an academy trust our main beneficiaries are:

- Pupils who are given access to a local secondary school providing a broad and balanced curriculum. Pupil admissions to the academy trust have been conducted in accordance with the London Borough of Newham's admissions policy; and
- Local community who will have access to specialist community facilities at a discounted rate e.g., not-for-profit.

The board of directors have complied with their duty to have due regard to the guidance on public benefit as published by the Charity Commission in exercising their powers and duties.

STRATEGIC REPORT

Achievements and Performance

The trust measures its academic success partly through a series of school performance indicators as published by the DfE and Ofsted. These indicators comprise:

- Key stage tests
- GCSE results
- GCE A Level results
- Published Ofsted reports

Other measures of successes used by the trust include:

- Academy popularity / admissions
- Staff recruitment and retention
- Financial health
- Stakeholder survey and outcomes

Key Performance Indicators

The provisional GCSE 2017 results are shown in the table below:

	Progress 8	Attainment 8	% achieving grade 5+ in English & Maths	% achieving EBacc
Brampton Manor Academy	+1.21	57.3	62.0	51.0
Langdon Academy	+0.65	48.2	42.0	36.0
Newham	+0.41	48.0	45.1	21.1
National	0.00	46.0	42.2	29.4

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DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

The above data shows that both schools achieved very impressive GCSE scores in 2017, with Brampton ranked 10th and Langdon 226th for progress 8 out of over 4000 secondary schools in England.

At Langdon Academy, 83% of the year 1 pupils reached the expected standard at phonics and results for EYFS were equally strong.

The 'A' level results at Brampton Manor were equally impressive, with a provisional value-added score of +0.64. The average grade per entry was B+ and for best 3 A levels, A-. Seven students secured places at Oxford and Cambridge universities and the Russell Group progression rate was about 80%.

Despite the significant improvements recorded at all key stages in both schools, we have identified areas where further improvements are needed. Work is proceeding to bring about the much needed improvements in order to ensure that all our students reach their potential.

To ensure standards are continually raised, the academy trust:

- Operates a programme of observations of lessons, to monitor the quality of teaching and the progress that students are making in their learning in lessons and over time.
- Operates a programme of learning area reviews, to rigorously monitor the performance of individual subjects against a wide range of challenging targets.
- Operates a programme of appraisal reviews, to monitor staff performance, provide support to ensure that individual staff targets are achieved through bespoke staff development programmes.
- Continues to appoint lead practitioners to act as coaches / mentors across the academy trust and build leadership capacity.
- Tracks and tackles underachievement as indicated by a number of measures, e.g., by subject, and ability groups.
- Rigorously analyses pupil attainment, attendance and behaviour data by gender, ethnicity, pupil premium status and a host of other criteria to identify any underachieving groups and intervene as appropriate.
- Tracking and monitoring of pupil behaviour in lessons to eliminate instances of low level disruption
- Actively promotes good/outstanding teaching and other practices across the academy trust by sharing best practice.
- Employs an independent external advisor to advise and support the Directors in appraising the performance of the executive principal / principal and setting targets for student outcomes for both schools.

Going Concern

After making appropriate enquiries, the directors consider that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further detail regarding the adoption of the going concern basis can be found in the statement of accounting policies.

FINANCIAL REVIEW

Financial report for the year

The principal source of funding for the trust is the general annual grant (GAG) and other grants that it receives from the ESFA. For the year ended 31 August 2017 the trust received £29.4m of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the academy's primary objective of the provision of education.

During the year the total expenditure (excluding depreciation) of £28.6m was more than covered by the recurrent grant from the DfE together with other incoming resources. The excess of income over expenditure for the year was £0.8m. At 31 August 2017 the net book value of fixed assets was £42.7m. Those assets are used in furtherance of the academy trust's objectives.

The academy trust held a number of restricted funds and purposes of these funds are set out in Note15.

BRAMPTON MANOR TRUST

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

Reserves Policy

The directors are aware of the requirement to balance current and future needs. The directors always aim to set at least a balanced budget with annual income balancing annual expenditure. As a trust of two large schools, the benefits from greater efficiency and cost savings allows any surplus of income over expenditure to be used to fund the development of the trusts' estate.

The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £2.2m. The current balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2017 is a net surplus of £7.3m.

The academy's general reserves are earmarked for:-

- a general contingency to buffer against uncertain funding and other circumstances arising to enable the schools within the trust to operate efficiently without interruption. This is calculated as 5% of total expenditure;
- replacing capital assets in the next 0-8 years that cannot be funded from revenue income; and
- building and capital works to ensure that the needs of our increasing student population is met. This includes a programme to bring back into use any derelict and / or moth-balled buildings, refurbish existing buildings and build new facilities.

The directors have assessed the current reserves level against this planned programme and the expected costs exceed current reserves. The ongoing building and capital works programme will continue to take place during 2017/18 at Brampton Manor Academy and Langdon Academy.

The cash balance of the academy has been healthy all year, ending the year with a balance of £7.9m. Much of this cash is held for planned projects and is not available for normal expenditure. The directors have determined that they should hold a general cash contingency equivalent to two weeks' expenditure, approximately £1m.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the academy is recognising a significant pension fund deficit of £11.1m. This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Investment Policy

The academy trust has a policy of investing its cash balances with a view to maximising returns, but where greater weight is assigned to the safety of the investment. The policy aims to invest cash in a mixture of liquid and longer-term investments, such that its cash balances and liquid investments at least equal the figure outlined in the reserves policy. Amounts over this figure may be invested in longer-term investments. However, given ongoing capital plans, it is not envisaged that the academy trust will invest in any investment with a redemption period exceeding 12 months. This policy will be reviewed as appropriate.

Principal Risks and Uncertainties

The directors maintain a risk register identifying the major risks to which the academy is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk management process is undertaken by the finance, premises, staffing and audit committee (FPS&AC) on an annual basis. The internal control systems and the exposure to said risks are monitored on behalf of the directors by the executive leadership team (ELT). The principal risks facing the trust are outlined below; those facing the academy at an operational level are addressed by its systems and by internal financial and other controls.

The directors report that the trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

BRAMPTON MANOR TRUST

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

The risks of the academy are assessed by category type and a detailed risk register is maintained. The risk register is reviewed by ELT and FPS&AC. Steps are taken as appropriate to mitigate risks. Some financial risks such as public and employee liability are covered by risk protection arrangement. Other risks are minimised through the design of systems and operations as preventative measures. The directors have assessed the principal risks and uncertainties facing the academy trust to be as follows:

- Retention of key staff, particularly the executive principal. However, it is not felt that there are any immediate threats in this regard, with the possibility of the schools within the trust expanding significantly and the likelihood of an additional school joining the trust will aid retention;
- The impact of falling rolls will also materially affect the academy trust's financial position, as funding is largely based on pupil numbers. It has been assessed that this risk is low, as Brampton Manor Academy has been oversubscribed for a number of years and the sixth form is showing pupil recruitment in line with anticipated projections. Langdon Academy has shown steady improvement since joining the academy trust and it's increasing popularity is reflected in its increasing student numbers;
- A significant proportion of income is derived from one source in the form of DfE Grant, where changes in funding formula could materially impact academy trust finances. The budget for 2017/18 is sound and the academy trust holds sufficient reserves to mitigate against unwelcome changes to funding; and
- The academy's overall financial position remains healthy in terms of cash balances and free reserves, with the potential of increasing in-year balances through academy trust efficiencies to be able to invest into the ongoing development of the estates.

PLANS FOR FUTURE PERIODS

The academy trust will continue striving to improve the levels of performance of its students at all levels. Brampton Manor students already enjoy high academic achievement and will strive to continue to perform at this high standard. Langdon Academy will continue to improve its academic results from the previous year, so that all students at the academy trust are achieving the highest possible outcomes.

The trust will continue to steadily grow its sixth form pupil numbers at Brampton Manor Academy, ensuring that the facilities are appropriate in terms of teaching and recreational space. The Regional Schools Commissioner has also approved our plan to increase our published admission number from 300 to 420 from 2020. Over 5 years, this will increase our overall school population by 600, making Brampton Manor Academy one of the largest schools in the country. The local authority will be funding the capital works required to increase the physical capacity of the school to accommodate this increased number of students. There are plans to increase student intake into year 7 at Brampton Manor due to massive and overwhelming demand from parents. There will also be a particular focus on increasing pupil numbers at Langdon Academy to full capacity at both the primary and secondary phases.

The governing body of Brampton Primary School have voted to join the Trust and the application is currently being considered by the Regional Schools Commissioner. If approved, Brampton Primary will join the Trust in April 2018.

Within available resources, the academy trust also plans to continue its programme of improving its existing spaces for existing students, and to offer substantially improved teaching and recreational facilities. In addition, there are substantial capital programmes planned to increase sporting facilities within the trust such as establishing a state of the art cricket field and pavilion at Langdon Academy in partnership with the English Cricket Club.

Funds held as Custodian Trustee on Behalf of Others

The academy trust receives 16-19 student support funds from ESFA and distributes to students as an agent for ESFA.

BRAMPTON MANOR TRUST

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

AUDITORS

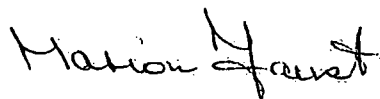
In so far as the directors are aware:

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

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

APPROVAL

The Directors Report incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company Directors, on 11th December 2017 and signed on its behalf by:



Marion Faust,
Chair of Directors

11 December 2017

BRAMPTON MANOR TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017

Scope of Responsibility

As directors, we acknowledge we have overall responsibility for ensuring that Brampton Manor 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 executive principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Brampton Manor 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 Director's Report and in the Statement of Trustees' Responsibilities. The board of directors has formally met seven times during the year. The trust board dealt with statutory matters relating to the academy trust and company including the appointment of new members to the local governing bodies, curriculum planning, school development plans, the development and approval of policies, procedures and agreements and receiving matters for approval from the sub-committees. Sub-committees include finance, premises, staffing and audit committee (FPS&AC) and local governing bodies for Brampton Manor Academy and Langdon Academy.

Attendance during the year of the trust board was as follows:

Director	Meetings attended	Out of a possible
Marion Faust	7	7
Laura King	5	7
Ian Porter (appointed 20 Feb 2017)	3	4
Dayo Olukoshi	7	7
Mohammed Rahman	7	7
Julia Hodgson (appointed 24 April 2017)	1	1

During the year Ian Porter and Julia Hodgson joined the trust board as a directors.

The trust reviews the effectiveness and impact of its governance through annual self-evaluation. Governance also forms part of the trust's audit programme. Review of the composition of the board, sub-committees and local governing bodies is ongoing to ensure that membership is relevant and strong in terms of governance.

An external review of governance at Langdon local governing body was also carried out during the year, with a number of key improvements being implemented to strengthen its' effectiveness. This included the recruitment of new governors and officers with an educational background to ensure the appropriate level of support and challenge are in place.

The academy trust carries out a review of its effectiveness on an annual basis, in relation to:-

- Governance and financial oversight
- Financial planning, monitoring and reporting
- Internal control and internal scrutiny
- Proper and regular use of funds
- Audit requirements

BRAMPTON MANOR TRUST

GOVERNANCE STATEMENT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

The finance, premises, staffing and audit committee (FPS&AC) is a sub-committee of the trust board. The purpose of the FPS&AC are to deal with all financial and general governance matters related to the trust. Matters dealt with include review and approval of budget plans, the risk register, changes to the staffing structure and audit. It also carries out tasks delegated by the full board of trustees on strategic and capital expenditure projects.

During the year Ian Porter and Julia Hodgson who are qualified accountants joined FPS&AC. Attendance during the year of the finance, premises, staffing and audit committee in the year was as follows:

Director	Meetings attended	Out of a possible
Marion Faust	7	7
Laura King	5	7
Ian Porter (appointed 20 Feb 2017)	3	4
Dayo Olukoshi	7	7
Mohammed Rahman	7	7
Julia Hodgson	1	1

Review of Value for Money

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

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

Improving educational outcomes: the trust uses the school development plan and management information systems to focus and manage educational outcomes in relation to student achievement, attainment and progress. Systems have been developed to track the progress of our pupils in the most efficient way possible and resources are stretched to ensure that students receive the best support available to achieve the best results possible. The educational outcomes of all our students is impressive. In 2017, both of our schools achieved one of the best progress 8 scores in Newham and the country. Student outcomes at all key stages in our schools are very high indeed. Progression to the elite Russell Group Universities (including Oxbridge) is exceptionally high. There are still areas of improvement required in both schools and work is going on to ensure that standards are consistently high.

Financial governance and oversight: the trust adopts a risk-based internal audit programme, which considers the risk management, control and governance arrangements in place. The trust has substantial assurance that the controls in place is suitably designed, consistently applied and effective.

Demonstrating value for money and effective use of resources: as standard practice for better purchasing, all contracts entered into are continuously reviewed and monitored to ensure that goods and services procured represent value for money and every effort is made in negotiating contract terms and prices. An established ethos is in place, which focuses the use of resources into maintaining and improving the learning and teaching environment, examination results of students and sharing resources where appropriate. A number of small capital projects were undertaken throughout the year, where competitive quotes and tendering was carried out. Projects include refurbishment of existing space across both schools, all of which improves the facilities across the trust to support and enhance the learning experience of our students. The trust structure allows both schools within the trust to engage and collaborate in terms of sharing good practice, driving and raising standards at least cost and sharing services across the trust at a lower cost.

BRAMPTON MANOR TRUST

GOVERNANCE STATEMENT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

Reviewing controls and managing risk to maximise use of resources and assets: a system of monitoring and reporting management accounts and reconciliations is in place. Accounts and reports are scrutinised by the executive director of finance and operations and are regularly presented to management and directors, to provide a high level of scrutiny and accountability. This also ensures that necessary action is taken to address any issues arising that may affect the overall finances of the trust. Reports are also used to make informed decisions about the best use of the trust's funds. As a result of rigorous systems of control, the trust is in a good financial position.

Risk is mitigated through the trust's scheme of financial delegation and risk register, which is reviewed and ratified each academic year by the board of directors.

In relation to premises and estates, a planned preventative maintenance programme is in place across the two schools. Having a premises team with a wide range of skills, allows us to carry out some maintenance and routine works that would otherwise be sourced externally, at a much higher cost e.g., painting and decorating, plumbing etc. In terms of external maintenance, we are able to compare contract prices over the two schools and negotiate as appropriate to achieve better value for money.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Brampton Manor Trust for the year ended 31 August 2017 and up to the date of approval of the Annual Report and financial statements.

Capacity to Handle Risk

The finance, premises, staffing and audit committee (FPS&AC) and the board of directors have reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the FPS&AC.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of directors;
- regular reviews by the finance, premises, staffing and audit 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; and
- identification and management of risks.

The board of directors has considered the need for a specific internal audit function and has decided to appoint Price Bailey as internal auditor. The internal auditor's role include giving advice on financial matters and performing a range of checks on the academy trust's financial systems on a termly basis.

BRAMPTON MANOR TRUST

GOVERNANCE STATEMENT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

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

- testing of key financial controls
- testing of cash and banking
- testing of finance systems controls

Findings and recommendations are presented to the finance, premises, staffing and audit committee on a termly basis, who are in turn responsible for reporting back to the board of directors.

The programme of internal review was delivered as planned and there were no material issues arising as a result of the internal auditor's work.

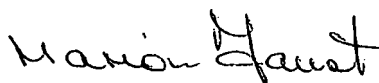
Review of Effectiveness

As accounting officer, the executive principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the 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 trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance, premises, staffing and audit committee and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of directors on 11th December 2017 and signed on its behalf by:



Marion Faust
Chair, Board of Directors



Dayo Olukoshi
Accounting Officer

BRAMPTON MANOR TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2017

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

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

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



Dayo Olukoshi
Accounting Officer

11th December 2017

BRAMPTON MANOR TRUST

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2017

The directors (who also act as trustees for charitable activities of Brampton Manor Trust) are responsible for preparing the Directors' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable laws and regulations.

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

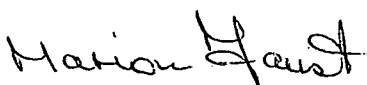
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standard FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of directors on 11th December 2017 and signed on its behalf by:



Marion Faust
Chair of Directors

BRAMPTON MANOR TRUST

INDEPENDENT AUDITORS REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BRAMPTON MANOR TRUST FOR THE YEAR ENDED 31 AUGUST 2017

OPINION

We have audited the financial statements of Brampton Manor Trust (the "Academy Trust") for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This Report is made solely to the Academy Trust's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's Members 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 Trust and the Academy Trust's Members, as a body for our audit work, for this Report, or for the opinions we have formed.

In our opinion the financial statements:

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

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion thereon.

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

BRAMPTON MANOR TRUST

INDEPENDENT AUDITORS REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BRAMPTON MANOR TRUST FOR THE YEAR ENDED 31 AUGUST 2017 (continued)

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, (incorporating the Strategic Report and the Directors' Report) for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report and the Directors' Report.

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.



Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Causeway House

1 Dane Street, Bishop's Stortford

CM23 3BT

Date: 11th December 2017

BRAMPTON MANOR TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BRAMPTON MANOR TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2017

In accordance with the terms of our engagement letter dated 20 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by Brampton Manor Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This Report is made solely to Brampton Manor Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Brampton Manor Trust and the ESFA those matters we are required to state to 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 Brampton Manor Trust and the ESFA, for our work, for this Report, or for the conclusion we have formed.

Respective responsibilities of Brampton Manor Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Brampton Manor Trust's funding agreement with the Secretary of State for Education dated 18 December 2013, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:


- Consideration and corroboration of the evidence supporting the accounting officers' statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the Academy Trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the accounting officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

BRAMPTON MANOR TRUST

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO BRAMPTON MANOR TRUST AND THE EDUCATION SKILLS
FUNDING AGENCY (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


Reporting Accountant
Price Bailey LLP
Chartered Accountants

11th December 2017

BRAMPTON MANOR TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2017 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £	Total 2016 £
Income from:						
Donations and capital grants	2	-	100,467	-	100,467	670,008
Charitable activities	5		29,112,427	72,125	29,184,552	28,479,286
Other trading activities	3	80,321			80,321	32,675
Investment income	4	39,199			39,199	51,973
Total income		119,520	29,212,894	72,125	29,404,539	29,233,942
Expenditure on:						
Charitable activities	7	40,367	28,378,610	1,309,858	29,728,835	27,209,822
Total expenditure	6a	40,367	28,378,610	1,309,858	29,728,835	27,209,822
Net income/expenditure before transfers		79,153	834,284	(1,237,733)	(324,296)	2,024,120
Transfers between funds	15	-	(594,708)	594,708	-	-
Net income before other gains and losses		79,153	239,576	(643,025)	(324,296)	2,024,120
Actuarial (losses) / gains on defined benefit pension scheme	15	-	175,000	-	175,000	(3,751,000)
Net movement in funds		79,153	414,576	(643,025)	(149,296)	(1,726,880)
Reconciliation of funds						
Total funds brought forward		2,107,454	(6,370,337)	43,306,878	39,043,995	40,770,875
Total funds carried forward		2,186,607	(5,955,761)	42,663,853	38,894,699	39,043,995

All of the trust's activities derive from continuing operations during the above two financial periods.

BRAMPTON MANOR TRUST

BALANCE SHEET AS AT 31 AUGUST 2017

Company Number 07540236

	Notes	Total 2017 £	Total 2016 £
Fixed Assets			
Intangible assets	12a	12,126	18,806
Tangible assets	12b	<u>42,651,728</u>	<u>43,288,072</u>
		<u>42,663,854</u>	<u>43,306,878</u>
Current Assets			
Debtors	13	1,174,541	1,171,468
Cash at bank and in hand	21	<u>7,900,408</u>	<u>7,263,041</u>
		<u>9,074,949</u>	<u>8,434,509</u>
Current liabilities			
Creditors: Amounts falling due within one year	14	<u>(1,741,104)</u>	<u>(2,257,392)</u>
Net current assets		<u>7,333,845</u>	<u>6,177,117</u>
Total assets less current liabilities		<u>49,997,699</u>	<u>49,483,995</u>
Pension scheme liability		<u>(11,103,000)</u>	<u>(10,440,000)</u>
Net assets including pension liability		<u>38,894,699</u>	<u>39,043,995</u>
Funds of the Trust:			
Restricted funds			
Fixed asset fund	15	42,663,853	43,306,878
Restricted income fund	15	6,147,239	4,069,663
Pension reserve	15	<u>(11,103,000)</u>	<u>(10,440,000)</u>
Total restricted fund		<u>36,708,092</u>	<u>36,936,541</u>
Unrestricted income funds	15	<u>2,186,607</u>	<u>2,107,454</u>
Total Funds		<u>38,894,699</u>	<u>39,043,995</u>

The financial statements on pages 22 to 24 were approved by the trustees and authorised for issue on 11 December 2017 and are signed on their behalf by

Marion Faust

Marion Faust,
Chair of Governors

The notes on page 25 to 44 form part of these financial statements

BRAMPTON MANOR TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Total 2017 £	Total 2016 £
Cash inflows from operating activities	18	1,120,751	3,064,552
Cash flows from investing activities	19	39,199	51,973
Cash flows from financing activities	20	(522,583)	(3,594,140)
Change in cash and cash equivalents in the reporting period	21	<u>637,367</u>	<u>(477,615)</u>
Cash and cash equivalents at at 1 September 2016		7,263,041	7,740,656
Cash and cash equivalents as at 31 August 2017		<u>7,900,408</u>	<u>7,263,041</u>

BRAMPTON MANOR TRUST

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

1 Statement of accounting policies

Basis of Preparation

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

The academy trust meets the definition of a public benefit entity under FRS 102.

The Academy's functional and presentational currency is Pounds Sterling.

Company Status

The Academy is a company limited by guarantee. Those Members who are Trustees are noted on page 1. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per Member of the Academy. The Academy's registered office is Roman Road, London, E6 3SQ."

Going Concern

The directors 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 company to continue as a going concern. The directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants**

Grants are included in the Statement of Financial Activities Including 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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

- **Donations**

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

- **Other income**

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

BRAMPTON MANOR TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2017

1 Statement of accounting policies (continued)

- **Donated fixed assets**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Expenditure

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

Charitable activities 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.

Intangible Fixed Assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life on the following basis:

Purchased computer software	5 years straight line
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Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried out at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over the 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 fund asset in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Long leasehold buildings	over the term of the lease
Fixtures, fittings and equipment	3 – 15 years straight line
Other fixed assets	20 – 50 years straight line
Motor vehicles	10 years straight line

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

BRAMPTON MANOR TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2017

1 Statement of accounting policies (continued)

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 Including Income and Expenditure Account.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probably will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

Leased Assets

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

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

The academy trust 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 trust 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 1992, to the extent that such income gains are applied exclusively to charitable purposes.

BRAMPTON MANOR TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2017

1 Statement of accounting policies (continued)

Pension Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the government actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities Including 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.

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder / donor and include grants from the ESFA / DfE.

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 directors make 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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

BRAMPTON MANOR TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2017

2 Donations and capital grants

	Unrestricted Funds	Restricted Funds	2017 Total	2016 Total
	£	£	£	£
Donations	-	100,467	100,467	670,008
	-	100,467	100,467	670,008

The income from donations in 2016 was all restricted

3 Other trading activities

	Unrestricted Funds	Restricted Funds	2017 Total	2016 Total
	£	£	£	£
Vending and catering income	28,103	-	28,103	16,111
Lettings	6,007	-	6,007	9,905
Other income	46,211	-	46,211	6,659
	80,321	-	80,321	32,675

The income from other trading activities in 2016 was all unrestricted

4 Investment Income

	Unrestricted Funds	Restricted Funds	2017 Total	2016 Total
	£	£	£	£
Bank interest	39,199	-	39,199	51,973
	39,199	-	39,199	51,973

The income from investments in 2016 was all unrestricted

5 Funding for the academy trust's educational operations

	Unrestricted Funds	Restricted Funds	2017 Total	2016 Total
	£	£	£	£
DfE / ESFA revenue grants				
General Annual Grant (GAG)	-	25,476,827	25,476,827	24,667,386
Other DfE / EFA grants	-	2,027,807	2,027,807	2,117,446
	-	27,504,634	27,504,634	26,784,832
Other Government grants				
Local authority grants	-	1,492,819	1,492,819	1,529,984
	-	1,492,819	1,492,819	1,529,984
Other income	-	187,099	187,099	164,470
	-	29,184,552	29,184,552	28,479,286

The funding for the academy trust's educational operations was £29,184,522 (2016 - £28,479,286) of which £29,112,397 (2016 - £29,129,480) was restricted and £72,125 (2016 - £69,528) was restricted fixed assets

BRAMPTON MANOR TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2017

6a Expenditure	Staff costs £	Non Pay expenditure Premises £	Other Costs £	Total 2017 £	Total 2016 £
Academy's educational operations:					
- Direct costs	19,051,597	-	2,149,147	21,200,744	19,240,875
- Allocated support costs	2,841,189	3,612,664	2,074,238	8,528,091	7,968,947
	<u>21,892,786</u>	<u>3,612,664</u>	<u>4,223,385</u>	<u>29,728,835</u>	<u>27,209,822</u>

Expenditure for the academy trusts's educational operations was £29,728,835 (2016 - £27,209,822) of which £40,367 (2016 - £33,091) was unrestricted, £28,378,610 (2016 - £26,090,294) was restricted and £1,309,858 (2016 - £1,086,437) was restricted fixed assets

6b Net incoming resources/(resources expended) for the period includes

Operating lease rentals	66,087	60,827
Depreciation	1,153,535	1,009,931
Ammortisation of intangible fixed assets	6,680	6,978
Fees payable to auditor for:		
-audit	11,225	11,125
-non-audit including internal audit	<u>7,050</u>	<u>5,740</u>

BRAMPTON MANOR TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2017

7 Charitable Activities

	2017 Total £	2016 Total £
Direct costs - educational operations	21,200,744	19,240,875
Support costs - educational operations	8,528,091	7,968,947
	<u>29,728,835</u>	<u>27,209,822</u>
	2017 Total £	2016 Total £
Analysis of support costs		
Support staff costs	2,841,189	2,648,586
Depreciation & Ammortisation	1,160,216	1,016,909
Technology costs	827,706	755,116
Premises	1,624,742	1,669,568
Other support costs	2,061,563	1,857,967
Governance costs	12,675	20,801
	<u>8,528,091</u>	<u>7,968,947</u>

BRAMPTON MANOR TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2017

8 Staff

	Total 2017 £	Total 2016 £
a. Staff Costs		
Staff costs during the period were:		
- Wages and salaries	15,618,600	14,929,533
- Social security costs	1,654,691	1,378,952
- Operating costs of defined benefit pension schemes	2,953,766	2,329,554
	<u>20,227,057</u>	<u>18,638,039</u>
- Supply staff costs	1,592,047	1,007,267
- Staff restructuring costs	46,780	2,375
- Apprenticeship levy	26,902	-
	<u>21,892,786</u>	<u>19,647,681</u>

b. Staff severance payments

Including in staff restructuring costs are statutory and contractual severance payments only totalling £46,780 (2016: £2,375).

c. Staff numbers

The average number of persons employed by the Academy during the year expressed as full time equivalents was as follows:

	2017 No.	2016 No.
Chaitable Activities		
- Teaching staff	264	250
- Administration and support	179	189
- Management	31	22
	<u>474</u>	<u>461</u>

BRAMPTON MANOR TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2017

8 Staff (continued)

d. Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	Total 2017 No.	Total 2016 No.
£60,000 - £70,000	15	11
£70,001 - £80,000	8	5
£80,001 - £90,000	3	4
£90,001 - £100,000	4	2
£110,001 - £120,000	1	1
£190,001 - £200,000	-	1
£200,001 - £210,000	1	-

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior leadership team as listed on page 1. The amount of employee benefits (including employer pension and employers national insurance contributions) received by key management personnel for their services to the academy trust was

Gross Salary £2,364,697 (2016 - £1,637,319)

Employers Pension £366,351 (2016 - £273,808)

Employers National Insurance £291,258 (2016 - £190,817)

9 Related Party Transactions - Directors' Remuneration and Expenses

The executive principal and other staff directors only receive remuneration in respect of services they provide undertaking the roles of executive principal and staff, and not in respect of their services as directors. Other directors did not receive any payments from the academy trust in respect of their role as directors. The value of directors' remuneration including pension contributions was as follows:

D Olukoshi (executive principal and director)

Gross Salary £200,000 - £210,000 (2016 £190,000 - £200,000)

Employers Pension £30,000 - £35,000 (2016: £30,000 - £35,000)

M Rahman (staff director)

Gross Salary £80,000 - £90,000 (2016: £80,000 - £90,000)

Employers Pension £10,000 - £20,000 (2016: £10,000 - £20,000)

During the year ended 31 August 2017 no travel and subsistence expenses were reimbursed to directors (2016 - £nil).

BRAMPTON MANOR TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2017

10 Central Services

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

- human resources
- financial services
- legal services
- educational support services; and
- others as arising

The trust charges for these services on the following basis:

- time-apportioned: staffing costs are charged on a percentage of staff time basis
- direct costs: all other costs are charged as incurred

The actual amounts charged, through direct transfer from Brampton Manor Academy to Langdon Academy, during the year were as follows:

	2017	2016
- Langdon Academy	304,000	330,000

11 Governors' and Officers Insurance

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

12a Intangible Fixed Assets

	2017
Cost	£
At 1st September 2016	28,725
Additions	-
At 31st August 2017	<u>28,725</u>
Ammortisation	
Cost	
At 1st September 2016	9,919
Additions	6,680
At 31st August 2017	<u>16,599</u>
Carrying amount	
At 1st September 2016	<u>18,806</u>
At 31st August 2017	<u>12,126</u>

BRAMPTON MANOR TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2017

12b Tangible Fixed Assets

	Long Term Leasehold £	Leasehold Impr'mnt £	Motor Vehicles £	Fixtures, Fittings & Equipment £	Total £
Cost					
At 1 September 2016	35,243,009	7,470,373	95,714	3,271,768	46,080,864
Additions	-	280,826	21,885	291,997	594,708
Disposals	-	(3,920)	(5,000)	(208,549)	(217,469)
At 31 August 2017	35,243,009	7,747,279	112,599	3,355,216	46,458,103
Depreciation					
At 1 September 2016	1,208,331	660,204	40,199	884,058	2,792,792
Charge in year	281,944	346,753	14,736	510,102	1,153,535
Eliminated on disposal	-	(1,960)	(2,167)	(135,825)	(139,952)
At 31 August 2017	1,490,275	1,004,997	52,768	1,258,335	3,806,375
Net book values					
At 31 August 2017	33,752,734	6,742,282	59,831	2,096,881	42,651,728
At 1 September 2016	34,034,678	6,810,169	55,515	2,387,710	43,288,072

13 Debtors

	2017 £	2016 £
VAT recoverable	278,600	400,120
Other debtors	57,293	29,073
Prepayments and accrued income	838,648	742,275
	<u>1,174,541</u>	<u>1,171,468</u>

BRAMPTON MANOR TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2017

14 Creditors: Amounts Falling due within One Year

	2017 £	2016 £
Trade creditors	835,781	1,079,179
Other taxation and social security	442,563	523,253
Accruals and deferred income	462,760	654,960
	<u>1,741,104</u>	<u>2,257,392</u>
Deferred income:		
Deferred income at 1 September 2016	192,891	256,322
Resources deferred in the year	200,287	192,891
Amounts released from previous years	(192,891)	(256,322)
Deferred income at 31 August 2017	<u>200,287</u>	<u>192,891</u>

Resources deferred during the year relate to grant income, fund raising activities and contributions to trips received in advance of the academic year 2017/18.

15 Funds

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Transfers £	Gains/ (losses) £	Balance at 31 August 2017 £
Restricted general funds						
General Annual Grant (GAG)	4,069,663	25,476,827	(23,804,543)	(594,708)		5,147,239
Pension reserve	(10,440,000)	-	(838,000)	-	175,000	(11,103,000)
Restricted trips	-	100,467	(100,467)	-		-
Other government grants	-	1,492,819	(1,492,819)	-		-
Other DfE and ESFA grants	-	1,955,682	(1,955,682)	-		-
Other restricted funds	-	187,099	(187,099)	-		-
	<u>(6,370,337)</u>	<u>29,212,894</u>	<u>(28,378,610)</u>	<u>(594,708)</u>	<u>175,000</u>	<u>(5,955,761)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	43,306,878	-	(1,237,733)	594,708		42,663,853
Devolved Formula Capital	-	72,125	(72,125)	-		-
	<u>43,306,878</u>	<u>72,125</u>	<u>(1,309,858)</u>	<u>594,708</u>		<u>42,663,853</u>
Unrestricted funds						
General funds - all funds	2,107,454	119,520	(40,367)	-		2,186,607
Total funds	<u>39,043,995</u>	<u>29,404,539</u>	<u>(29,728,835)</u>	<u>-</u>	<u>175,000</u>	<u>38,894,699</u>

BRAMPTON MANOR TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2017

15 Funds (continued)

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

General Annual Grant (GAG)

The general fund covers all expenditure for furthering pupil education.

Pension reserve

This fund represents the Academy's share of the deficit on the Local Government Pension Scheme as a small admitted body.

Restricted trips

This represents contributions made by parents to the running of educational visits for the pupils of the academy trust and the associated costs of running the trips.

Other government grants

This represents various small grants from local and national government bodies for the provision of specific services to pupils of the academy trust.

Other DfE/ESFA grants

This fund covers grants of a specific nature for furthering pupil education.

Other restricted funds

This represents donations made to the academy by parents and local community members for specific purposes that have been stipulated by the donor.

Devolved formula capital

This represents specific funding from DfE for capital works and the associated expenditure

Restricted fixed asset fund

This represents the net book value of fixed assets at the end of the year

Transfers

Transfers made to the restricted fixed asset fund represent the cost of fixed assets purchased from restricted funds.

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 2017.

Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	2017 £	2016 £
Brampton Manor Academy	3,189,382	2,340,752
Langdon Academy	4,144,464	3,836,365
Total before fixed assets and pension reserve	<u>7,333,846</u>	<u>6,177,117</u>
Restricted fixed asset fund	42,663,853	43,306,878
Pension reserve	(11,103,000)	(10,440,000)
Total	<u>38,894,699</u>	<u>39,043,995</u>

BRAMPTON MANOR TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2017

15 Funds (continued)

Analysis of academies by cost

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs (excluding depreciation)	2017	2016
	£	£	£	£	£	£
Brampton Manor Academy	8,546,174	1,577,991	712,055	2,499,417	13,335,637	11,721,665
Langdon Academy	8,913,376	1,263,198	609,769	4,446,639	15,232,982	14,471,248
Academy Trust	<u>17,459,550</u>	<u>2,841,189</u>	<u>1,321,824</u>	<u>6,946,056</u>	<u>28,568,619</u>	<u>26,192,913</u>

16 Analysis of Net Assets between Funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted funds	Restricted general funds	Restricted fixed asset fund	2017	2016
	£	£	£	£	£
Fixed assets			42,663,853	42,663,853	43,306,878
Current assets	2,186,607	6,888,342	-	9,074,949	8,434,509
Current liabilities	-	(1,741,104)	-	(1,741,104)	(2,257,392)
Pension scheme liability	-	(11,103,000)	-	(11,103,000)	(10,440,000)
Total net assets	<u>2,186,607</u>	<u>(5,955,762)</u>	<u>42,663,853</u>	<u>38,894,698</u>	<u>39,043,995</u>

17 Financial Commitments

Operating leases

At 31 August 2017 the trust had annual commitments under non-cancellable operating leases as follows:

	2017	2016
	£	£
Operating leases which expire:		
- Within one year	22,449	54,820
- Within two to five years	<u>-</u>	<u>20,061</u>

BRAMPTON MANOR TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2017

18 Reconciliation of Net Income to Net Cashflow from Operating Activities

	2017 £	2016 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(324,296)	2,024,120
Depreciation (note 13)	1,160,215	1,016,909
Loss on disposal of fixed assets	77,517	-
Capital grants from DfE and other capital income	(72,125)	(69,528)
Interest receivable (note 4)	(39,199)	(51,973)
Defined benefit pension scheme cost less contributions payable (note 23)	611,000	175,000
Defined benefit pension scheme finance cost (note 23)	223,000	239,000
Defined benefit pension scheme admin cost (note 23)	4,000	2,000
(Increase)/decrease in debtors	(3,073)	145,876
Increase/(decrease) in creditors	(516,288)	(416,852)
Net cash provided by / (used in) operating activities	1,120,751	3,064,552

19 Cash flows from investing activities

Interest received	39,199	51,973
Net cash provided by / (used in) financing activities	39,199	51,973

20 Cash flows from financing activities

Purchase of tangible fixed assets	(594,708)	(3,663,668)
Capital grants from DfE/ESFA	72,125	69,528
Net cash provided by / (used in) investing activities	(522,583)	(3,594,140)

	At 1 September 2016 £	Cashflows £	At 1 August 2017 £
21 Analysis of cash and cash equivalents			
Cash in hand and at bank	7,263,041	637,367	7,900,408
	7,263,041	637,367	7,900,408

BRAMPTON MANOR TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2017

22 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.

23 Pension and Similar Obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Borough of Newham. Both are multi-employer defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS relates to the period ending 31 March 2012 and of the LGPS 31 March 2017.

There were outstanding contributions of £118,915 at the beginning and £nil at the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

BRAMPTON MANOR TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2017

23 Pension and Similar Obligations (continued)

- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £1,779,797 (2016: £1,697,540).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is 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 the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £ 705,000 (2016 £810,000), of which employer's contributions totalled £546,000 (2016 £635,000) and employees' contributions totalled £159,000 (2016 £175,000). The agreed contribution rate for future years are 23.5% for employers and 5.9% to 7.2% 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

	At 31 August 2017	At 31 August 2016
Rate of increase in salaries	4.2%	4.1%
Rate of increase for pensions in payment / inflation	2.7%	2.3%
Discount rate for scheme liabilities	2.6%	2.2%
Inflation assumption (CPI)	2.7%	2.3%
Commutation of pensions to lump sums	50%	50%

BRAMPTON MANOR TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2017

23 Pension and Similar Obligations (continued)

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

	At 31 August 2017	At 31 August 2016
Retiring today - Males	22.6 years	22.1 years
Retiring today - Females	25.1 years	24.5 years
Retiring in 20 years - Male	24.8 years	24.4 years
Retiring in 20 years - Female	27.4 years	26.9 years

Sensitivity Analysis

		2017 £000	2016 £000
Discount rate	+0.1%	17,055	14,355
Discount rate	-0.1%	17,779	15,169
Mortality assumption	1 year increase	18,021	15,180
Mortality assumption	1 year decrease	16,826	14,344
CPI rate	+0.1%	17,707	15,122
CPI rate	-0.1%	17,126	14,400

The academy trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equities	3,661	2,492
Gilts	293	-
Other bonds	567	394
Property	409	320
Cash	1,102	765
Other	278	345
Total market value of assets	6,310	4,316
Present value of scheme liabilities		
- Funded	(15,419)	(14,756)
Surplus/(deficit) in the scheme	(11,103)	(10,440)

The actual return on scheme assets was £537,000 (2016: £549,000)

BRAMPTON MANOR TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2017

23 Pension and Similar Obligations (continued)

Amounts recognised in the statement of financial activities

	2017 £000	2016 £000
Current service cost (net of employee contributions)	(1,157)	(810)
Net Interest cost	(223)	(239)
Administration expenses	(4)	(2)
Total operating charge	(1,384)	(1,051)

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

	2017 £000	2016 £000
At 1 September 2016	14,756	9,456
Current service cost	1,157	810
Interest cost	322	377
Change in financial assumptions	(477)	4,162
Change in demographic assumptions	197	-
Estimated benefits paid net of transfers in	(328)	(224)
Experience loss/(gain) on defined benefit obligation	1,627	-
Contributions by Scheme participants and other employers	159	175
At 31 August 2017	17,413	14,756

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

	2017 £000	2016 £000
At 1 September 2016	4,316	3,183
Interest on assets	99	138
Return on assets less interest	438	411
Administration expenses	(4)	(2)
Contributions by employer including unfunded	546	635
Contributions by Scheme participants and other employers	159	175
Estimated benefits paid plus unfunded net of transfers in	(328)	(224)
Other actuarial gains/(losses)	1084	-
At 31 August 2017	6,310	4,316

BRAMPTON MANOR TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 AUGUST 2017

24 Related Party Transactions

Owing to the nature of the academy trust's operations and the composition of the board of directors being drawn from local public and private sector organisations, transactions may take place with organisations in which a director has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

15Billion – a company in which Mr I Porter (a director of the trust) works as chief executive and of which Mrs M Faust (a director of the trust) was a non-executive director until December 2016. 15Billion is a not-for profit charity used by all Newham schools and colleges to provide school-business links, arrange work experience placements and provide CIAG services.

- Careers guidance £47,000 (2016 - £47,000)
- Gifted and talented project £nil (2016 - £1,800)
- Work Experience Programme £54,737 (2016 - £38,650) Outstanding at end of year £2,400 (2016 - £22,000)

25 Agency Arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2017 the trust received £52,909 and disbursed £52,909 from the fund.