

Company Registration No. 08133686 (England and Wales)

**BROUGHTON JEWISH CASSEL FOX**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

THURSDAY



\*A6WXA6WR\*

A15

04/01/2018

#136

COMPANIES HOUSE

# **BROUGHTON JEWISH CASSEL FOX**

## **CONTENTS**

---

|  | <b>Page</b> |
|--|-------------|
| Reference and administrative details                                       | 1           |
| Governors' report  | 2 - 7       |
| Governance statement   | 8 - 10      |
| Statement on regularity, propriety and compliance                          | 11          |
| Statement of governors' responsibilities                                   | 12          |
| Independent auditor's report on the accounts                               | 13 - 15     |
| Independent reporting accountant's report on regularity                    | 16 - 17     |
| Statement of financial activities including income and expenditure account | 18 - 19     |
| Balance sheet  | 20          |
| Statement of cash flows  | 21          |
| Notes to the accounts including accounting policies                        | 22 - 37     |

---

# **BROUGHTON JEWISH CASSEL FOX**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

---

### **Governors**

D Black  
S Fulda  
J Goldblatt  
L Seidler  
A Ellituv  
J Kasmir  
Y Pearlman  
E Pine  
J Rose  
N Nadav  
A Addleman  
D Bondt  
N Taylor  
J Simons  
E Hasleton  
C Davies

### **Members**

- Accounting officer

Y Pearlman

### **Senior management team**

- Principal

Y Pearlman

- Deputy Headteacher

R Caplan

- Assistant Headteacher

N Taylor

### **Company secretary**

D Cohen

### **Company registration number**

08133686 (England and Wales)

### **Principal address**

Legh Road  
SALFORD  
M7 4RT

### **Independent auditor**

Lopian Gross Barnett & Co  
6th Floor  
Cardinal House  
St Mary's Parsonage  
Manchester  
M3 2LG

# **BROUGHTON JEWISH CASSEL FOX**

## **GOVERNORS' REPORT**

### ***FOR THE YEAR ENDED 31 AUGUST 2017***

---

The governors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

#### **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 governors are the trustees of Broughton Jewish Cassel Fox and are also the directors of the charitable company for the purposes of company law. Details of the governors who served during the year are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Governors' indemnities

In accordance with normal commercial practice, the Academy has purchased a Risk Protection Arrangement to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The arrangement provides cover of up to £10,000,000 being the amount payable in total in any one period of cover.

##### Method of recruitment and appointment or election of governors

Foundation Governors are appointed by the Trustees, normally for a term of 4 years. In addition there is a Community Governor, Parent Governors and Staff Governors. Parent Governors are elected by parents and Staff Governors are elected by the members of staff.

The Articles of Association require the trust board members to appoint a minimum of 3 Governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy. The Articles of Association contain provisions for the appointment of additional Governors including Staff Governors and Parent Governors. There is no maximum number of Governors.

The Governing Body now comprises of 16 Governors, including 3 Staff Governors and 2 Parent Governors.

The Principal is an ex-officio governor.

##### Policies and procedures adopted for the induction and training of governors

New Governors have induction training and support available to them, via the Clerk to the Governing Body and through training courses provided by suitable professional organisations.

# **BROUGHTON JEWISH CASSEL FOX**

## **GOVERNORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2017**

---

#### Organisational structure

The Governing Body is responsible for the efficient running of the school and efficient delivery of education. The day to day management of the school is delegated to the Principal, the deputy Head Teachers and the Senior Management Team. The Accounting Officer is the Principal, but the Chair of the Governors and the Finance Governor operate an additional layer of supervision over the school finances.

The Governors set and review school policies, set the academic targets, set the budget, monitor academic and financial performance etc and are largely involved in supervising and monitoring the management of the school.

The Governors have sub-committees responsible for specific areas (Admissions, Staffing, Finance, Health & Safety, Safeguarding, Curriculum, Disciplinary, Pupil Disciplinary, etc). Each sub-committee has its own terms of reference and the Governors review the remit of the sub groups and the frequency of meetings. The Finance Committee meet at least once per term and the other committees meet as required.

All Governors receive weekly newsletters and are kept up to date by regular e-mail. Many Governors help in school on a regular basis, often attending events. All Governors have access to all policies, procedures, minutes, accounts, budgets and plans that they need to discharge their governing body duties.

#### Arrangements for setting pay and remuneration of key management personnel

The Chair and the Vice Chair have regular and frequent performance meetings where the Senior Leadership are appraised against agreed set targets. There is also input from outside Consultants in this regard. The results of these appraisals are used to assess the level of remuneration in the forthcoming year.

#### Related parties and other connected charities and organisations

There are no related parties, which either control or significantly influence the decisions or operations of Broughton Jewish Cassel Fox. There are no sponsors.

The Academy works closely with parents and other stakeholders to further the principal activities of the academy.

#### **Objectives and activities**

##### Objects and aims

The principal object and activity of the Charitable Company is the operation of Broughton Jewish Cassel Fox Primary School.

In accordance with the Articles of Association, the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting pupils to the Academy and that the curriculum should comply with the substance of the National Curriculum.

The main objectives of the Academy are:

**Academic** - The School aims to achieve the highest academic standards and ensure that every pupil realises their full potential.

**Welfare** - The school has a warm and caring approach and aims to ensure the well-being and happiness of every child.

**Religious** - The school promotes the values, standards and discipline of the faith. It provides a strong Jewish education which imbues children with the knowledge of, and pride in, their heritage and identity.

# BROUGHTON JEWISH CASSEL FOX

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

---

#### Objectives, strategies and activities

The objectives of the school are to provide the highest quality of education for each and every child, whilst maintaining the warm and welcoming atmosphere of the school and enhancing the pupils' knowledge of, and pride in, their faith and tradition.

#### Public benefit

The governors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

### **Strategic report**

#### **Achievements and performance**

The Academy continues to achieve forecast numbers of pupils. Total numbers on roll in the period ended 31 August 2017 numbered 474. Reception to Year 3 inclusive continue to be 3 form entry with Nursery, Year 4 and Year 5 moving to three form entry in September 2017. The school is going through a period of capital building works in order to increase classrooms, aided by a fundraising Dinner in July 2017 and grants from the local authority.

Table of Results 2017

| SUBJECT                        | SCHOOL % | NATIONAL % |
|--------------------------------|----------|------------|
| EYFS GOOD LEVEL OF DEVELOPMENT | 76       | 71         |
| PHONICS YEAR 1                 | 90       | 81         |
| PHONICS YEAR 2                 | 94       | 91         |
| KS1 COMBINED                   | 73       | 64         |
| READING                        | 79       | 76         |
| WRITING                        | 74       | 68         |
| MATHS                          | 82       | 75         |
| KS2 COMBINED                   | 84       | 61         |
| READING                        | 88       | 71         |
| WRITING                        | 92       | 76         |
| MATHS                          | 88       | 75         |
| GPS                            | 94       | 77         |

The School was ranked ninth amongst the Greater Manchester schools.

# **BROUGHTON JEWISH CASSEL FOX**

## **GOVERNORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2017**

---

#### Key performance indicators

The Academy is committed to observing the importance of performance indicators, to ensure that it continues to strive for both educational and financial excellence.

In September 16 a 'Good' award was issued by Ofsted.

The Overall effectiveness was found to be 'Good', This included the 'Good' recognition in all the key areas, namely 1, Effectiveness of leadership, 2, Quality of teaching, learning and assessment, 3, Personal development, behaviour and welfare, 4, Outcomes for pupils and 5, Early years provision.

The year has continued to see investment in fixed assets, primarily towards the year end when construction began on an extension to the second floor in order to increase the number of classrooms.

#### **Headship Changes**

Mrs Eastwood left the School in February 2017 to move on to pastures new. Rabbi Pearlman, the existing Principal became the Accounting Officer.

#### Going concern

After making appropriate enquiries, the board of governors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of governors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

#### **Financial review**

The Academy's financial objectives are:

- To set and operate within an agreed and balanced budget.
- Applying at all times, best value principles in all purchases.
- Monitoring and evaluating the value for money of all staff.
- To prevent all areas of wastage.

These objectives were achieved in the period ending 31st August 2017.

Most of the Academy's income is obtained from the EFA in the form of recurring grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ending 31st August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets. In accordance with the charities Statement of Recommended Practice, "Accounting and Reporting by Charities," (SORP 2005) such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

# **BROUGHTON JEWISH CASSEL FOX**

## **GOVERNORS' REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 AUGUST 2017***

---

During the period ended 31st August 2017, total incoming resources were £2,350,521 and resources expended was £2,148,586. The excess of income over expenditure for the period was £201,935.

In the Academies accounts direction 2014 to 2015 (SORP 2005), the EFA amended their guidance in relation to accounting for buildings. This guidance noted that Academies that convert from former voluntary aided schools such as the Broughton Jewish Cassel Fox, and continue to occupy the site occupied by the predecessor school, often have different occupancy arrangements to other schools. In this case the freehold land and buildings are owned independent from the Academy, in this case the Broughton Jewish Primary School. The EFA's view is that taking all considerations into account it is likely that most academies such as the Broughton Jewish Cassel Fox will conclude that the asset should be recognised on their balance sheet and this policy has been adopted.

Based on the recent views of the EFA the land and buildings are shown in the accounts based on the valuation information provided by JMC Chartered Surveyors & Property Consultants in May 2014, less depreciation that would have been incurred to date.

At 31st August 2017 the net book value of fixed assets were £3,960,818 and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and associated support services to pupils.

The Academy held fund balances at 31st August 2017 of £3,983,710. This comprised deficit unrestricted general funds of £38,438 plus restricted fixed asset funds of £3,955,272, less the pension scheme deficit of £10,000.

#### Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Academy's aim is to achieve prudent levels of reserves.

#### Investment policy and powers

Currently the academy does not have any investments due to the need to ensure cash balances for the day to day expenditure of the academy. In future periods the governors will look at the level of cash to see whether they merit investments.

#### Principal risks and uncertainties

The Governors have assessed the major risks to which the Academy is exposed, in particular, those relating to the operational areas of the site and facilities and of teaching and the finances. The Governors have implemented a system to assess the risks the school faces, especially in the operational areas which include teaching and health and safety and in relation to the control of finance. The Governors have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains, they have ensured that they have adequate insurance cover.



# BROUGHTON JEWISH CASSEL FOX

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

---

### 1. Government Funding

The Academy has considerable reliance on continued Government funding through the EFA. In 2016/2017, 90% of the Academy's revenue was ultimately public, and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or in the same terms.

This risk is mitigated in a number of ways:

- Funding is derived from a number of direct and indirect contractual arrangements;
- By ensuring that the Academy is rigorous in delivering high quality education and training;
- Considerable focus and investment is placed on maintaining and managing key relationships with the EFA.

### 2. Maintain adequate funding of pensions liabilities

The financial statements report the share of the pension scheme deficit on the Academy's balance sheet in line with the requirements of Financial Reporting Standard (FRS102). This deficit relates to non-teaching staff who are members of Greater Manchester Pension Fund. At 31st August 2017 the deficit amounted to £10,000.

The pension scheme liability is an on-going liability which is not expected to materialise until the retirement of the employees in the scheme. The Academy will make contributions to the scheme on behalf of its employees. These contributions are determined by the scheme's Actuaries and are designed to eliminate the deficit over the estimated future working lives of the employees in the scheme.

The Academy has undertaken work during the period to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the Academy's assets and reputation.

We monitor our risks regularly in order to identify key risks, assess the likelihood of these risks occurring and their potential impact on the Academy and the proposed actions to be taken to reduce and mitigate the risks.

Outlined below is a description of the principal risk factors which may affect the Academy. Not all factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy.

### Plans for future periods

The Academy will continue to strive to achieve the highest academic standards, ensuring that every pupil realises their full potential. It will also maintain its efforts to ensure the well-being and happiness of each and every child. Current building works will continue resulting in increased classroom numbers.

### Auditor

In so far as the governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the governors 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.

A resolution proposing that Lopian Gross Barnett & Co be reappointed as auditor of the charitable company will be put to the members.

The governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 15 Dec 17 and signed on its behalf by:



J Goldblatt

# **BROUGHTON JEWISH CASSEL FOX**

## **GOVERNANCE STATEMENT**

***FOR THE YEAR ENDED 31 AUGUST 2017***

---

### **Scope of responsibility**

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

The board of governors has delegated the day-to-day responsibility to the 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 Broughton Jewish Cassel Fox and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

### **Governance**

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The board of governors has formally met 3 times during the year. Attendance during the year at meetings of the board of governors was as follows:

| <b>Governors</b> | <b>Meetings attended</b> | <b>Out of possible</b> |
|------------------|--------------------------|------------------------|
| D Black          | 3                        | 3                      |
| S Fulda          | 3                        | 3                      |
| J Goldblatt      | 0                        | 3                      |
| L Seidler        | 3                        | 3                      |
| A Ellituv        | 0                        | 3                      |
| J Kasmir         | 2                        | 3                      |
| Y Pearlman       | 3                        | 3                      |
| E Pine           | 3                        | 3                      |
| J Rose           | 2                        | 3                      |
| N Nadav          | 1                        | 3                      |
| A Addleman       | 3                        | 3                      |
| D Bondt          | 3                        | 3                      |
| N Taylor         | 3                        | 3                      |
| J Simons         | 3                        | 3                      |
| E Hasleton       | 3                        | 3                      |
| C Davies         | 3                        | 3                      |

### **Review of value for money**

As accounting officer the 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.

# **BROUGHTON JEWISH CASSEL FOX**

## **GOVERNANCE STATEMENT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2017**

---

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of governors 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:

1. Maintaining tight control over expenditure, By making careful consideration of the costs of purchases and their value for money consideration, Evaluating purchase usage and using this knowledge for future purchases, Using Government Preferred Procurement channels (e.g. YPO, RPA Insurance) where possible. The Academy prides itself on using funds effectively.
2. Efficient use of staff. The Academy continues to monitor its staff levels effectively.
3. Continuing to prioritise resources to teaching as opposed to administration.
4. Increasing photocopying costs were managed during the year with increased monitoring and limiting of usage.

#### **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 Broughton Jewish Cassel Fox for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts.

#### **Capacity to handle risk**

The board of governors has 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 of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of governors.

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

# **BROUGHTON JEWISH CASSEL FOX**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

### **Review of effectiveness**

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

- the work of the external 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 and general purposes committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of governors on ...15 Dec 17' and signed on its behalf by:

J Goldblatt



# **BROUGHTON JEWISH CASSEL FOX**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

As accounting officer of Broughton Jewish Cassel Fox I have considered my responsibility to notify the academy trust board of governors 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's board of governors 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 governors and ESFA.

Y Pearlman  
Accounting Officer

15 Dec 17

# **BROUGHTON JEWISH CASSEL FOX**

## **STATEMENT OF GOVERNORS' RESPONSIBILITIES**

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

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

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

In preparing these accounts, the governors 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The governors 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 accounts 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 governors 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the board of governors on 15 Dec 17 and signed on its behalf by:

J Goldblatt



# **BROUGHTON JEWISH CASSEL FOX**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROUGHTON JEWISH CASSEL FOX**

---

### **Opinion**

We have audited the accounts of Broughton Jewish Cassel Fox for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

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

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' 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 accounts 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 governors' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the governors have not disclosed in the accounts 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 accounts are authorised for issue.

### **Other information**

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The governors are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **BROUGHTON JEWISH CASSEL FOX**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROUGHTON JEWISH CASSEL FOX (CONTINUED)**

---

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Governors' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Governors' Report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report, including the incorporated strategic report.

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

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

### **Responsibilities of governors**

As explained more fully in the Statement of Governors' Responsibilities, the governors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the governors 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 governors either intend to liquidate the charitable company, 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 accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



## BROUGHTON JEWISH CASSEL FOX

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROUGHTON JEWISH CASSEL FOX (CONTINUED)

---



Alex Kahan (Senior Statutory Auditor)  
for and on behalf of Lopian Gross Barnett & Co

Chartered Accountants  
Statutory Auditor

15/12/17

6th Floor  
Cardinal House  
St Mary's Parsonage  
Manchester  
M3 2LG

# **BROUGHTON JEWISH CASSEL FOX**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BROUGHTON JEWISH CASSEL FOX AND THE EDUCATION AND SKILLS FUNDING AGENCY**

---

In accordance with the terms of our engagement letter dated 18 October 2012 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 Broughton Jewish Cassel Fox 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 Broughton Jewish Cassel Fox and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Broughton Jewish Cassel Fox and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Broughton Jewish Cassel Fox and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Broughton Jewish Cassel Fox's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Broughton Jewish Cassel Fox's funding agreement with the Secretary of State for Education dated 1 August 2012 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 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.

## **BROUGHTON JEWISH CASSEL FOX**

### **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BROUGHTON JEWISH CASSEL FOX AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)**

---

#### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 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.

*S.A. Kerlin*

#### **Reporting Accountant**

Lopian Gross Barnett & Co

Dated: .....15/12/17.....

# BROUGHTON JEWISH CASSEL FOX

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

|   | Notes    | Unrestricted<br>Funds<br>£ | Restricted funds:<br>General<br>£ | Fixed asset<br>£ | Total<br>2017<br>£ | Total<br>2016<br>£ |
|---|----------|----------------------------|-----------------------------------|------------------|--------------------|--------------------|
| <b>Income and endowments from:</b>                          |          |                            |                                   |                  |                    |                    |
| Donations and capital grants                                | 2        | 8,433                      | 141,354                           | 353,249          | 503,036            | 116,955            |
| Charitable activities:                                      |          |                            |                                   |                  |                    |                    |
| - Funding for educational operations                        | 3        | -                          | 1,783,034                         | -                | 1,783,034          | 1,749,886          |
| Other trading activities                                    | 4        | 64,346                     | -                                 | -                | 64,346             | 39,121             |
| Investments   | 5        | 105                        | -                                 | -                | 105                | 302                |
| <b>Total income and endowments</b>                          |          | <b>72,884</b>              | <b>1,924,388</b>                  | <b>353,249</b>   | <b>2,350,521</b>   | <b>1,906,264</b>   |
| <b>Expenditure on:</b>                                      |          |                            |                                   |                  |                    |                    |
| Charitable activities:                                      |          |                            |                                   |                  |                    |                    |
| - Educational operations                                    | 7        | -                          | 2,004,949                         | 143,637          | 2,148,586          | 1,984,206          |
| <b>Total expenditure</b>                                    | <b>6</b> | <b>-</b>                   | <b>2,004,949</b>                  | <b>143,637</b>   | <b>2,148,586</b>   | <b>1,984,206</b>   |
| <b>Net income/(expenditure)</b>                             |          | <b>72,884</b>              | <b>(80,561)</b>                   | <b>209,612</b>   | <b>201,935</b>     | <b>(77,942)</b>    |
| Transfers between funds                                     |          | (15,561)                   | 15,561                            | -                | -                  | -                  |
| <b>Other recognised gains and losses</b>                    |          |                            |                                   |                  |                    |                    |
| Actuarial gains/(losses) on defined benefit pension schemes | 17       | -                          | 494,000                           | -                | 494,000            | (177,000)          |
| <b>Net movement in funds</b>                                |          | <b>57,323</b>              | <b>429,000</b>                    | <b>209,612</b>   | <b>695,935</b>     | <b>(254,942)</b>   |
| <b>Reconciliation of funds</b>                              |          |                            |                                   |                  |                    |                    |
| Total funds brought forward                                 |          | (18,885)                   | (439,000)                         | 3,745,660        | 3,287,775          | 3,542,717          |
| Total funds carried forward                                 |          | 38,438                     | (10,000)                          | 3,955,272        | 3,983,710          | 3,287,775          |

# BROUGHTON JEWISH CASSEL FOX

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

| Comparative year information<br>Year ended 31 August 2016 | Notes | Unrestricted<br>Funds<br>£ | General<br>£     | Restricted funds:<br>Fixed asset<br>£ | Total<br>2016<br>£ |
|---|-------|----------------------------|------------------|---------------------------------------|--------------------|
| <b>Income and endowments from:</b>                        |       |                            |                  |                                       |                    |
| Donations and capital grants                              | 2     | 9,120                      | 93,646           | 14,189                                | 116,955            |
| Charitable activities:                                    |       |                            |                  |                                       |                    |
| - Funding for educational operations                      | 3     | -                          | 1,749,886        | -                                     | 1,749,886          |
| Other trading activities                                  | 4     | 39,121                     | -                | -                                     | 39,121             |
| Investments   | 5     | 302                        | -                | -                                     | 302                |
| <b>Total income and endowments</b>                        |       | <u>48,543</u>              | <u>1,843,532</u> | <u>14,189</u>                         | <u>1,906,264</u>   |
| <b>Expenditure on:</b>                                    |       |                            |                  |                                       |                    |
| Charitable activities:                                    |       |                            |                  |                                       |                    |
| - Educational operations                                  | 7     | -                          | 1,854,265        | 129,941                               | 1,984,206          |
| <b>Total expenditure</b>                                  | 6     | <u>-</u>                   | <u>1,854,265</u> | <u>129,941</u>                        | <u>1,984,206</u>   |
| <b>Net income/(expenditure)</b>                           |       | 48,543                     | (10,733)         | (115,752)                             | (77,942)           |
| Transfers between funds                                   |       | (79,403)                   | (21,267)         | 100,670                               | -                  |
| <b>Other recognised gains and losses</b>                  |       |                            |                  |                                       |                    |
| Actuarial losses on defined benefit pension schemes       | 17    | -                          | (177,000)        | -                                     | (177,000)          |
| <b>Net movement in funds</b>                              |       | <u>(30,860)</u>            | <u>(209,000)</u> | <u>(15,082)</u>                       | <u>(254,942)</u>   |
| <b>Reconciliation of funds</b>                            |       |                            |                  |                                       |                    |
| Total funds brought forward                               |       | 11,975                     | (230,000)        | 3,760,742                             | 3,542,717          |
| Total funds carried forward                               |       | <u>(18,885)</u>            | <u>(439,000)</u> | <u>3,745,660</u>                      | <u>3,287,775</u>   |

# BROUGHTON JEWISH CASSEL FOX

## BALANCE SHEET

AS AT 31 AUGUST 2017

|  | Notes | 2017<br>£      | £                | 2016<br>£      | £                |
|--|-------|----------------|------------------|----------------|------------------|
| <b>Fixed assets</b>                            |       |                |                  |                |                  |
| Tangible assets                                | 11    |                | 3,960,818        |                | 3,731,471        |
| <b>Current assets</b>                          |       |                |                  |                |                  |
| Debtors  | 12    | 235,987        |                  | 49,509         |                  |
| Cash at bank and in hand                       |       | 105,406        |                  | 94,129         |                  |
|  |       | <u>341,393</u> |                  | <u>143,638</u> |                  |
| <b>Current liabilities</b>                     |       |                |                  |                |                  |
| Creditors: amounts falling due within one year | 13    | (308,501)      |                  | (148,334)      |                  |
| <b>Net current liabilities</b>                 |       |                | 32,892           |                | (4,696)          |
| <b>Net assets excluding pension liability</b>  |       |                | <u>3,993,710</u> |                | <u>3,726,775</u> |
| Defined benefit pension liability              | 17    |                | (10,000)         |                | (439,000)        |
| <b>Net assets</b>                              |       |                | <u>3,983,710</u> |                | <u>3,287,775</u> |
| <b>Funds of the academy trust:</b>             |       |                |                  |                |                  |
| <b>Restricted funds</b>                        | 15    |                |                  |                |                  |
| - Fixed asset funds                            |       |                | 3,955,272        |                | 3,745,660        |
| - Pension reserve                              |       |                | (10,000)         |                | (439,000)        |
| <b>Total restricted funds</b>                  |       |                | <u>3,945,272</u> |                | <u>3,306,660</u> |
| <b>Unrestricted income funds</b>               | 15    |                | 38,438           |                | (18,885)         |
| <b>Total funds</b>                             |       |                | <u>3,983,710</u> |                | <u>3,287,775</u> |

The accounts set out on pages 18 to 37 were approved by the board of governors and authorised for issue on 15 Dec 17 and are signed on its behalf by:

  
J Goldblatt

Company Number 08133686

# BROUGHTON JEWISH CASSEL FOX

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

|  | Notes | 2017<br>£ | £        | 2016<br>£ | £         |
|--|-------|-----------|----------|-----------|-----------|
| <b>Cash flows from operating activities</b>                        |       |           |          |           |           |
| Net cash provided by (used in) operating activities                | 18    |           | 30,907   |           | (26,583)  |
| <b>Cash flows from investing activities</b>                        |       |           |          |           |           |
| Dividends, interest and rents from investments                     |       | 105       |          | 302       |           |
| Capital funding from sponsors and others                           |       | 353,249   |          | 14,189    |           |
| Payments to acquire tangible fixed assets                          |       | (363,329) |          | (100,670) |           |
| Movement relating to fixed asset transfer                          |       | (9,655)   |          | -         |           |
|  |       |           | (19,630) |           | (86,179)  |
| <b>Change in cash and cash equivalents in the reporting period</b> |       |           |          |           |           |
|  |       |           | 11,277   |           | (112,762) |
| Cash and cash equivalents at 1 September 2016                      |       |           | 94,129   |           | 206,891   |
| Cash and cash equivalents at 31 August 2017                        |       |           | 105,406  |           | 94,129    |

# BROUGHTON JEWISH CASSEL FOX

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 1 Accounting policies

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

##### 1.1 Basis of preparation

The accounts 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.

Broughton Jewish Cassel Fox meets the definition of a public benefit entity under FRS 102.

##### 1.2 Going concern

The governors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

##### 1.3 Income

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

###### Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period 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 grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

###### Donations

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

###### Other income

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



# BROUGHTON JEWISH CASSEL FOX

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 1 Accounting policies

(Continued)

#### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### Charitable activities

These 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.

#### Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, governors' meetings and reimbursed expenses.

#### 1.5 Tangible fixed assets and depreciation

Assets which have a useful life of three years or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

|                                |                       |
|--------------------------------|-----------------------|
| Land and buildings             | 2% Straight Line      |
| Property improvements          | 10%/20% Straight Line |
| Computer equipment             | 20%/33% Straight Line |
| Fixtures, fittings & equipment | 20%/33% Straight Line |

# **BROUGHTON JEWISH CASSEL FOX**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

### **1 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.

The academy has been granted use of the school building from the Broughton Jewish Cassel Fox Primary School. The Academies Accounts Direction prescribes that under these agreements, the risks and rewards of ownership remain with the Academy. The land and buildings have been included within the tangible fixed assets of the Academy.

#### **1.6 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 of services it must provide.

#### **1.7 Leasing and hire purchase commitments**

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### **1.8 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. 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. 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.

#### **1.9 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 Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **1.10 Pensions 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 and the assets are held separately from those of the academy trust.

# BROUGHTON JEWISH CASSEL FOX

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### 1 Accounting policies

(Continued)

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 17, 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 are 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 and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

#### 1.11 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 governors.

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

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

#### 2 Donations and capital grants

|                                  | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2017<br>£ | Total<br>2016<br>£ |
|----------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Capital grants from BJCF charity | -                          | 22,462                   | 22,462             | 5,725              |
| Capital grants                   | -                          | 330,787                  | 330,787            | 8,464              |
| Other donations                  | 8,433                      | 141,354                  | 149,787            | 102,766            |
|                                  | <u>8,433</u>               | <u>494,603</u>           | <u>503,036</u>     | <u>116,955</u>     |

In 2016, of the total income from donations and capital grants, £9,120 was to unrestricted funds and £107,835 was to restricted funds.

# BROUGHTON JEWISH CASSEL FOX

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 3 Funding for the academy trust's educational operations

|                                | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2017<br>£ | Total<br>2016<br>£ |
|--------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| <b>DfE / ESFA grants</b>       |                            |                          |                    |                    |
| General annual grant (GAG)     | -                          | 1,214,221                | 1,214,221          | 1,219,000          |
| Other DfE / ESFA grants        | -                          | 281,701                  | 281,701            | 306,455            |
|                                | -                          | 1,495,922                | 1,495,922          | 1,525,455          |
| <b>Other government grants</b> |                            |                          |                    |                    |
| Local authority grants         | -                          | 287,112                  | 287,112            | 224,431            |
| <b>Total funding</b>           | -                          | 1,783,034                | 1,783,034          | 1,749,886          |

In 2016, of the total income from charitable activities, £Nil was to unrestricted funds and £1,749,886 was to restricted funds.

### 4 Other trading activities

|                 | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2017<br>£ | Total<br>2016<br>£ |
|-----------------|----------------------------|--------------------------|--------------------|--------------------|
| Catering income | 6,431                      | -                        | 6,431              | 2,413              |
| Other income    | 57,915                     | -                        | 57,915             | 36,708             |
|                 | 64,346                     | -                        | 64,346             | 39,121             |

### 5 Investment income

|                         | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2017<br>£ | Total<br>2016<br>£ |
|-------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Other investment income | 105                        | -                        | 105                | 302                |

# BROUGHTON JEWISH CASSEL FOX

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 6 Expenditure

|                                  | Staff<br>costs<br>£ | Premises<br>& equipment<br>£ | Other<br>costs<br>£ | Total<br>2017<br>£ | Total<br>2016<br>£ |
|----------------------------------|---------------------|------------------------------|---------------------|--------------------|--------------------|
| Academy's educational operations |                     |                              |                     |                    |                    |
| - Direct costs                   | 1,175,482           | -                            | 189,258             | 1,364,740          | 1,223,306          |
| - Allocated support costs        | 470,180             | 286,020                      | 27,646              | 783,846            | 760,900            |
|                                  | <u>1,645,662</u>    | <u>286,020</u>               | <u>216,904</u>      | <u>2,148,586</u>   | <u>1,984,206</u>   |

In 2016, of the total expenditure, £Nil was to unrestricted funds and £1,984,206 was to restricted funds.

| Net income/(expenditure) for the year includes: | 2017<br>£      | 2016<br>£      |
|---|----------------|----------------|
| Fees payable to auditor for:                    |                |                |
| - Audit   | 5,995          | 6,595          |
| - Other services                                | 2,255          | 1,250          |
| - Teacher's Pension                             | 450            | 450            |
| - Annual accounts return review                 | 650            | 650            |
| Operating lease rentals                         | 5,066          | 4,970          |
| Depreciation of tangible fixed assets           | 142,637        | 129,941        |
| Loss on disposal of fixed assets                | 1,000          | -              |
|   | <u>158,053</u> | <u>143,856</u> |

### 7 Charitable activities

|  | 2017<br>£        | 2016<br>£        |
|--|------------------|------------------|
| <b>All from restricted funds:</b>      |                  |                  |
| Direct costs - educational operations  | 1,364,740        | 1,223,306        |
| Support costs - educational operations | 783,846          | 760,900          |
|  | <u>2,148,586</u> | <u>1,984,206</u> |

|                                  | 2017<br>£      | 2016<br>£      |
|----------------------------------|----------------|----------------|
| <b>Analysis of support costs</b> |                |                |
| Support staff costs              | 470,180        | 371,534        |
| Depreciation and amortisation    | 143,637        | 129,941        |
| Premises costs                   | 133,806        | 195,089        |
| Other support costs              | 26,871         | 55,403         |
| Governance costs                 | 9,352          | 8,933          |
|                                  | <u>783,846</u> | <u>760,900</u> |

# BROUGHTON JEWISH CASSEL FOX

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 8 Staff costs

|  | 2017<br>£ | 2016<br>£ |
|--|-----------|-----------|
| Wages and salaries                                 | 990,410   | 962,403   |
| Social security costs                              | 101,287   | 81,873    |
| Operating costs of defined benefit pension schemes | 232,465   | 166,200   |
| Staff costs  | 1,324,162 | 1,210,476 |
| Supply staff costs                                 | 39,734    | 22,734    |
| Staff restructuring costs                          | 30,000    | 8,738     |
| Staff development and other staff costs            | 251,766   | 222,004   |
| Total staff expenditure                            | 1,645,662 | 1,463,952 |

### Staff numbers

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

|                            | 2017<br>Number | 2016<br>Number |
|----------------------------|----------------|----------------|
| Teachers                   | 34             | 32             |
| Administration and support | 9              | 8              |
| Management                 | 3              | 4              |
|                            | 46             | 44             |

### Higher paid staff

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

|                   | 2017<br>Number | 2016<br>Number |
|-------------------|----------------|----------------|
| £60,001 - £70,000 | -              | 1              |

### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs is a non-statutory/non-contractual severance payment totalling £30,000 (2016: £8,738).

### Key management personnel

The key management personnel of the academy trust comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £249,609 (2016:£290,316).

# **BROUGHTON JEWISH CASSEL FOX**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2017**

---

#### **9 Governors' and key management personnel remuneration and expenses**

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

The value of governors' and key management personnel remuneration and other benefits was as follows:

**C Davies :**

Remuneration £35,000-£40,000 (2016: £35,000-£40,000)  
Employer's pension contributions paid £5,000-£10,000 (2016 : £5,000-£10,000)

**Y Pearlman :**

Remuneration £55,000-£60,000 (2016: £55,000-£60,000)  
Employer's pension contributions paid £5,000-£10,000 (2016 : £5,000-£10,000)

**N Taylor :**

Remuneration £40,000-£45,000 (2016: £40,000-£45,000)  
Employer's pension contributions paid £5,000- £10,000 (2016 : £5,000- £10,000)

**M Eastwood :**

Remuneration £25,000-£30,000 (2016: £60,000-£65,000)  
Employer's pension contributions paid £5,000- £10,000 (2016: £5,000-£10,000)

**R Caplan :**

Remuneration £50,000-£55,000 (2016: £50,000-£55,000)  
Employer's pension contributions paid £5,000- £10,000 (2016 : £5,000-£10,000)

#### **10 Governors and officers insurance**

In accordance with normal commercial practice, the academy trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost is included within the total insurance premium of £8,116 (2016: £10,625).

# BROUGHTON JEWISH CASSEL FOX

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 11 Tangible fixed assets

|                       | Land and<br>buildings | Property<br>improvements | Computer<br>equipment | Fixtures,<br>fittings &<br>equipment | Total     |
|-----------------------|-----------------------|--------------------------|-----------------------|--------------------------------------|-----------|
|                       | £                     | £                        | £                     | £                                    | £         |
| <b>Cost</b>           |                       |                          |                       |                                      |           |
| At 1 September 2016   | 3,764,600             | 47,405                   | 74,412                | 260,168                              | 4,146,585 |
| Transfer              | -                     | 42,945                   | 5,130                 | 5,932                                | 54,007    |
| Additions             | -                     | 340,857                  | 9,095                 | 13,377                               | 363,329   |
| Disposals             | -                     | (20,000)                 | -                     | -                                    | (20,000)  |
| At 31 August 2017     | 3,764,600             | 411,207                  | 88,637                | 279,477                              | 4,543,921 |
| <b>Depreciation</b>   |                       |                          |                       |                                      |           |
| At 1 September 2016   | 301,168               | 8,431                    | 26,373                | 79,142                               | 415,114   |
| Transfer              | -                     | 24,045                   | 4,933                 | 15,374                               | 44,352    |
| On disposals          | -                     | (19,000)                 | -                     | -                                    | (19,000)  |
| Charge for the year   | 75,292                | 12,448                   | 17,691                | 37,206                               | 142,637   |
| At 31 August 2017     | 376,460               | 25,924                   | 48,997                | 131,722                              | 583,103   |
| <b>Net book value</b> |                       |                          |                       |                                      |           |
| At 31 August 2017     | 3,388,140             | 385,283                  | 39,640                | 147,755                              | 3,960,818 |
| At 31 August 2016     | 3,463,432             | 38,974                   | 48,039                | 181,026                              | 3,731,471 |

### 12 Debtors

|                                | 2017<br>£ | 2016<br>£ |
|--------------------------------|-----------|-----------|
| Trade debtors                  | 2,992     | 7,824     |
| Other debtors                  | 31,467    | 4,979     |
| Prepayments and accrued income | 201,528   | 36,706    |
|                                | 235,987   | 49,509    |

### 13 Creditors: amounts falling due within one year

|                              | 2017<br>£ | 2016<br>£ |
|------------------------------|-----------|-----------|
| Trade creditors              | 88,371    | 85,711    |
| Accruals and deferred income | 220,130   | 62,623    |
|                              | 308,501   | 148,334   |



# BROUGHTON JEWISH CASSEL FOX

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

|           |  |               |               |
|-----------|--|---------------|---------------|
| <b>14</b> | <b>Deferred income</b>                   | <b>2017</b>   | <b>2016</b>   |
|           |  | <b>£</b>      | <b>£</b>      |
|           | Deferred income is included within:      |               |               |
|           | Creditors due within one year            | 54,973        | 46,187        |
|           |  | <u>54,973</u> | <u>46,187</u> |
|           | Deferred income at 1 September 2016      | 46,187        | 80,482        |
|           | Released from previous years             | (46,187)      | (80,482)      |
|           | Amounts deferred in the year             | 54,973        | 46,187        |
|           |  | <u>54,973</u> | <u>46,187</u> |
|           | <b>Deferred income at 31 August 2017</b> | <b>54,973</b> | <b>46,187</b> |

|           |                                     |  |                               |                               |  |                                      |
|-----------|-------------------------------------|--|-------------------------------|-------------------------------|--|--------------------------------------|
| <b>15</b> | <b>Funds</b>                        | <b>Balance at 1<br/>September<br/>2016</b> | <b>Incoming<br/>resources</b> | <b>Resources<br/>expended</b> | <b>Gains, losses<br/>&amp; transfers</b> | <b>Balance at 31<br/>August 2017</b> |
|           |                                     | <b>£</b>                                   | <b>£</b>                      | <b>£</b>                      | <b>£</b>                                 | <b>£</b>                             |
|           | <b>Restricted general funds</b>     |  |                               |                               |  |                                      |
|           | General Annual Grant                | (72,178)                                   | 1,214,221                     | (1,157,604)                   | 15,561                                   | -                                    |
|           | Other DfE / EFA grants              | (201)                                      | 281,701                       | (335,308)                     | -  | (53,808)                             |
|           | Other government grants             | -  | 287,112                       | (233,304)                     | -  | 53,808                               |
|           | Other restricted funds              | 72,379                                     | 141,354                       | (213,733)                     | -  | -                                    |
|           |                                     | <u>-</u>                                   | <u>1,924,388</u>              | <u>(1,939,949)</u>            | <u>15,561</u>                            | <u>-</u>                             |
|           | Funds excluding pensions            | -  | 1,924,388                     | (1,939,949)                   | 15,561                                   | -                                    |
|           | Pension reserve                     | (439,000)                                  | -                             | (65,000)                      | 494,000                                  | (10,000)                             |
|           |                                     | <u>(439,000)</u>                           | <u>1,924,388</u>              | <u>(2,004,949)</u>            | <u>509,561</u>                           | <u>(10,000)</u>                      |
|           | <b>Restricted fixed asset funds</b> |  |                               |                               |  |                                      |
|           | DfE / EFA capital grants            | 8,464                                      | 330,787                       | (36,223)                      | -  | 303,028                              |
|           | Transfer of buildings               | 3,463,432                                  | -                             | (75,292)                      | -  | 3,388,140                            |
|           | Capital expenditure from GAG        | 268,039                                    | -                             | (28,705)                      | -  | 239,334                              |
|           | Donations                           | 5,725                                      | 22,462                        | (3,417)                       | -  | 24,770                               |
|           |                                     | <u>3,745,660</u>                           | <u>353,249</u>                | <u>(143,637)</u>              | <u>-</u>                                 | <u>3,955,272</u>                     |
|           | <b>Total restricted funds</b>       | <b>3,306,660</b>                           | <b>2,277,637</b>              | <b>(2,148,586)</b>            | <b>509,561</b>                           | <b>3,945,272</b>                     |
|           | <b>Unrestricted funds</b>           |  |                               |                               |  |                                      |
|           | General funds                       | (18,885)                                   | 72,884                        | -                             | (15,561)                                 | 38,438                               |
|           |                                     | <u>(18,885)</u>                            | <u>72,884</u>                 | <u>-</u>                      | <u>(15,561)</u>                          | <u>38,438</u>                        |
|           | <b>Total funds</b>                  | <b>3,287,775</b>                           | <b>2,350,521</b>              | <b>(2,148,586)</b>            | <b>494,000</b>                           | <b>3,983,710</b>                     |

# BROUGHTON JEWISH CASSEL FOX

## 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:

Restricted fixed asset funds have been reclassified to correctly reflect the brought forward funds as capital expenditure from GAG.

Restricted General Funds are used specifically to provide educational resources for the pupils of the Academy.

Restricted Fixed Asset Funds provide for the installation, maintenance and repair of the Fixed Assets of the Academy.

Unrestricted Funds are those other Resources which may be used to further the objectives of the Academy.

Transfers between unrestricted general and restricted fixed asset funds have occurred for capital purchases.

The deficit on the pension reserve will be eliminated based on future contributions as advised by the schemes actuary.

Under the funding agreement with the Secretary of State, the Academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

#### 16 Analysis of net assets between funds

|  | Unrestricted<br>Funds<br>£ | General<br>£     | Restricted funds:<br>Fixed asset<br>£ | Total<br>2017<br>£ |
|--|----------------------------|------------------|---------------------------------------|--------------------|
| <b>Fund balances at 31 August 2017 are represented by:</b> |                            |                  |                                       |                    |
| Tangible fixed assets                                      | -                          | -                | 3,960,818                             | 3,960,818          |
| Current assets   | 341,393                    | -                | -                                     | 341,393            |
| Creditors falling due within one year                      | (302,955)                  | -                | (5,546)                               | (308,501)          |
| Defined benefit pension liability                          | -                          | (10,000)         | -                                     | (10,000)           |
|  | <u>38,438</u>              | <u>(10,000)</u>  | <u>3,955,272</u>                      | <u>3,983,710</u>   |
|  |                            |                  |                                       |                    |
|  | Unrestricted<br>Funds<br>£ | General<br>£     | Restricted funds:<br>Fixed asset<br>£ | Total<br>2016<br>£ |
| <b>Fund balances at 31 August 2016 are represented by:</b> |                            |                  |                                       |                    |
| Tangible fixed assets                                      | -                          | -                | 3,731,471                             | 3,731,471          |
| Current assets   | 129,449                    | -                | 14,189                                | 143,638            |
| Creditors falling due within one year                      | (148,334)                  | -                | -                                     | (148,334)          |
| Defined benefit pension liability                          | -                          | (439,000)        | -                                     | (439,000)          |
|  | <u>(18,885)</u>            | <u>(439,000)</u> | <u>3,745,660</u>                      | <u>3,287,775</u>   |

# **BROUGHTON JEWISH CASSEL FOX**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

### **17 Pensions 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 Tameside MBC, Administering Authority for Greater Manchester Pension Fund. 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 related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or 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
- 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 the TPS in the period amounted to £45,000 (2016: £46,000).

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

# BROUGHTON JEWISH CASSEL FOX

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### 17 Pensions and similar obligations

(Continued)

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 contributions are as noted below. The agreed contribution rates for future years are 16.1% for employers and 5.5 to 12.5% for employees.

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

| Total contributions made | 2017<br>£ | 2016<br>£ |
|--------------------------|-----------|-----------|
| Employer's contributions | 45,000    | 46,000    |
| Employees' contributions | 18,000    | 16,000    |
| Total contributions      | 63,000    | 62,000    |

| Principal actuarial assumptions          | 2017<br>% | 2016<br>% |
|--|-----------|-----------|
| Rate of increases in salaries            | 3.2       | 3.4       |
| Rate of increase for pensions in payment | 2.4       | 2.1       |
| Discount rate                            | 2.5       | 2         |

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

|                      | 2017<br>Years | 2016<br>Years |
|----------------------|---------------|---------------|
| Retiring today       |               |               |
| - Males              | 21.5          | 21.4          |
| - Females            | 24.1          | 24            |
| Retiring in 20 years |               |               |
| - Males              | 23.7          | 24            |
| - Females            | 26.2          | 26.6          |

# BROUGHTON JEWISH CASSEL FOX

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 17 Pensions and similar obligations

(Continued)

#### Sensitivity analysis

| Changes in assumptions at 31 August 2017: Approximate % increase to Employer Liability | Approximate monetary amount (£000) |
|--|------------------------------------|
| 0.5% decrease in Real Discount Rate  | 118                                |
| 0.5% increase in the Salary Increase Rate  | 10                                 |
| 0.5% increase in the Pension Increase Rate   | 106                                |

#### The academy trust's share of the assets in the scheme

|                              | 2017<br>Fair value<br>£ | 2016<br>Fair value<br>£ |
|------------------------------|-------------------------|-------------------------|
| Equities                     | 719,780                 | 598,320                 |
| Bonds                        | 157,760                 | 141,270                 |
| Cash                         | 49,300                  | 41,550                  |
| Property                     | 59,160                  | 49,860                  |
| Total market value of assets | 986,000                 | 831,000                 |

|  |        |         |
|--|--------|---------|
| Actual return on scheme assets - gain/(loss) | 99,000 | 134,000 |
|--|--------|---------|

#### Amounts recognised in the statement of financial activities

|                      | 2017<br>£ | 2016<br>£ |
|----------------------|-----------|-----------|
| Current service cost | 65,000    | 32,000    |

#### Changes in the present value of defined benefit obligations

|                                 | 2017<br>£ | 2016<br>£ |
|---------------------------------|-----------|-----------|
| Obligations at 1 September 2016 | 1,270,000 | 866,000   |
| Current service cost            | 101,000   | 69,000    |
| Interest cost                   | 26,000    | 34,000    |
| Employee contributions          | 18,000    | 16,000    |
| Actuarial (gain)/loss           | (412,000) | 286,000   |
| Benefits paid                   | (7,000)   | (1,000)   |
| At 31 August 2017               | 996,000   | 1,270,000 |

# BROUGHTON JEWISH CASSEL FOX

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

### 17 Pensions and similar obligations

(Continued)

#### Changes in the fair value of the academy trust's share of scheme assets

|                            | 2017<br>£ | 2016<br>£ |
|----------------------------|-----------|-----------|
| Assets at 1 September 2016 | 831,000   | 636,000   |
| Interest income            | 17,000    | 25,000    |
| Actuarial gain             | 82,000    | 109,000   |
| Employer contributions     | 45,000    | 46,000    |
| Employee contributions     | 18,000    | 16,000    |
| Benefits paid              | (7,000)   | (1,000)   |
| At 31 August 2017          | 986,000   | 831,000   |

### 18 Reconciliation of net income/(expenditure) to net cash flows from operating activities

|  | 2017<br>£ | 2016<br>£ |
|--|-----------|-----------|
| Net income/(expenditure) for the reporting period        | 201,935   | (77,942)  |
| Adjusted for:  |           |           |
| Capital grants from DfE/ESFA and other capital income    | (353,249) | (14,189)  |
| Investment income receivable                             | (105)     | (302)     |
| Defined benefit pension costs less contributions payable | 65,000    | 32,000    |
| Depreciation of tangible fixed assets                    | 142,637   | 129,941   |
| Loss on disposal of fixed assets                         | 1,000     | -         |
| (Increase) in debtors                                    | (186,478) | (12,591)  |
| Increase/(decrease) in creditors                         | 160,167   | (83,500)  |
| Net cash provided by operating activities                | 30,907    | (26,583)  |

# **BROUGHTON JEWISH CASSEL FOX**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

### **19 Related party transactions**

Owing to the nature of the academy trust's operations and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust 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. The following related party transaction took place in the period of account.

Broughton Jewish Cassel Fox Primary School (Charity) previously managed the school. It has no trustees in common with the academy trust.

Broughton Jewish Cassel Fox Primary School (Charity) owns, via its legal title the building in which the Academy currently occupy and allows the Academy to operate from the site under a agreement. The building has been brought in the accounts at a valuation of £3,764,600. The building is being depreciated over 50 years.

The Academy receives income classified as voluntary donations from Broughton Jewish Cassel Fox Primary School (Charity) for shared costs, central services and utilities. The amount received during the year amounted to £162,766 (2016 : £99,371) and is recognised as restricted funds and restricted fixed asset funds. There was no balance outstanding at the year end.

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

### **20 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.