

**BRONTE ACADEMY TRUST**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL  
STATEMENTS**

**FOR THE PERIOD ENDED 31 AUGUST  
2016**

MONDAY



\*A60OWYK1\*

A14

20/02/2017

#175

COMPANIES HOUSE

**BRONTE ACADEMY TRUST**  
**(A company limited by guarantee)**

**CONTENTS**

---

	<b>Page</b>
Reference and administrative details	<b>1 - 2</b>
Trustees' report	<b>3 - 8</b>
Governance statement	<b>9 - 11</b>
Statement on regularity, propriety and compliance	<b>12</b>
Statement of trustees' responsibilities	<b>13</b>
Independent auditors' report on the financial statements	<b>14 - 15</b>
Independent reporting accountant's assurance report on regularity	<b>16 - 17</b>
Statement of financial activities incorporating income and expenditure account	<b>18</b>
Balance sheet	<b>19</b>
Statement of cash flows	<b>20</b>
Notes to the financial statements	<b>21 - 42</b>

**BRONTE ACADEMY TRUST**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS**  
*FOR THE PERIOD ENDED 31 AUGUST 2016*

---

**Members**

Francisco Arana (appointed 26 May 2016)  
Sohail Mahmood (appointed 26 May 2016)  
Ian Pearson (appointed 26 May 2016)  
Kath Waddington (appointed 26 May 2016)

**Trustees**

John Anthony Broughton, Chair (appointed 26 May 2016)  
John Brownless (appointed 26 May 2016)  
Sarah-Jayne Cotton (appointed 26 May 2016)  
Stephen Christopher Gant (appointed 26 May 2016)  
Gillian Holland, Accounting officer (appointed 26 May 2016)  
Jennifer Mary Mayo (appointed 26 May 2016)  
Trevor Olsson (appointed 26 May 2016)  
Joanne Louise Pagdin (appointed 26 May 2016)  
Helen Sarah Thompson (appointed 26 May 2016)  
Kath Waddington (appointed 26 May 2016)

**Company registered number**

10201636

**Company name**

Bronte Academy Trust

**Principal and registered office**

Lees Primary School, Haworth Road, Cross Roads, Keighley, West Yorkshire, BD22 9DL

**BRONTE ACADEMY TRUST**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS**  
**FOR THE PERIOD ENDED 31 AUGUST 2016**

---

***Advisers (continued)***

**Company secretary**

Schofield Sweeney LLP

**Accounting officer**

Gillian Holland

**Senior management team**

Gillian Holland, Head Teacher - Lees  
Kate Bowerman, Deputy Head Teacher - Lees  
Angela Broadbent, Assistant Head Teacher - Lees  
Jennifer Mary Mayo, Head Teacher - Oakworth  
James Travers, Assistant Head Teacher - Oakworth  
Danielle Blott, Assistant Head Teacher - Oakworth  
Samantha Layfield, Assistant Head Teacher - Oakworth

**Independent auditors**

BHP Clough & Company LLP, New Chartford House, Centurion Way, Cleckheaton, BD19 3QB

**Bankers**

Lloyds Bank plc, 45 Hustlergate, Bradford, BD1 1NT

**Solicitors**

Schofield Sweeney LLP, Church Bank House, Church Bank, Bradford, BD1 4DY

**BRONTE ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT**  
**FOR THE PERIOD ENDED 31 AUGUST 2016**

---

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the Period 26 May 2016 to 31 August 2016. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The trust operates two primary academies in the Haworth area. Its academies have a combined pupil capacity of 682 and had a roll of 677 in the school census on 19 January 2017.

***Structure, governance and management***

● **Constitution**

The academy is a charitable company limited by guarantee and an exempt charity.  
The charitable company's Memorandum of Association is the primary governing document of the academy trust.  
The trustees of Bronte Academy Trust are also the directors of the charitable company for the purpose of company law.

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

The academy was incorporated on 26 May 2016 and commenced trading on that date.  
The principal object of the academy is to advance for the public benefit education in the United Kingdom.

● **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.

● **Method of recruitment and appointment or election of Trustees**

The management of the academy is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association. The number of trustees is subject to a maximum of twelve. The members may also appoint staff trustees through such process as they may determine, provided that the total number of trustees (including the principal) who are employees of the academy trust does not exceed one third of the total number of trustees. The parents trustees shall be elected by the trustees. A parent trustee must be a parent of a pupil at the academy at the time the parent trustee is elected. The trustees may appoint up to one co-opted trustee. The term of office for any trustee shall be four years, save that this time shall not apply to any post which is held ex-officio. New trustees are given the appropriate level of training to carry out their responsibilities.

● **Policies and procedures adopted for the induction and training of Trustees**

All new trustees participate in an induction programme and are given an induction pack giving a wide range of information and guidance relating to the governance of the academy trust. The Chair of Trustees is responsible for arranging a programme of trustee training. Typically this is provided for internally by academy staff but complementary outside resources are used where this is considered appropriate.

**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2016**

---

- **Pay policy for key management personnel**

The trustee's performance management subcommittee is responsible for reviewing the performance of Academy principals and recommending incremental scale point rises to the full Trust board within the parameters of the agreed head teacher pay scales. The head teachers are responsible for reviewing the deputies within their agreed pay scales.

- **Organisational structure**

The trustees hold at least one meeting every school term. The trustees determine the general policy of the Trust in relation to the constituent academies. The principals are appointed by the Trust Board and are responsible for the day to day running of each academy, supported by senior staff.

***Strategic report***

***Objectives and Activities***

- **Objects and aims**

The trust's aim is "to work together as Bronte Academy Trust to ensure we provide the best education and opportunities for all the children in our family of schools".

- **Objectives, strategies and activities**

The purpose of our Trust is to ensure that the children in our community have equal opportunity to an excellent curriculum, resources and teacher expertise through a strongly developed collaboration of working together, whilst, at the same time, maintaining the distinct nature of our own individual establishments, giving a richness and a multi-faceted element to our partnership.

Through sharing of excellence, we can ensure that children beyond each establishment have the opportunity to the best each school has to offer and expertise and talents amongst all stakeholders can be shared and built upon providing a self-sustaining community, where everyone is learning and growing together.

The Trust recognises its important role of helping other schools to grow and flourish. As such, it is committed to considering other schools who may wish to be sponsored and will act as a lead sponsor, as directed by the Department for Education (DfE).

**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 AUGUST 2016**

---

● **Activities for achieving objectives**

Bronte Academy Trust has a transparent leadership structure, clear levels of accountability, with three distinct boards:

1. Local Governing Body (each School)
2. Board of Trustees
3. Board of Members

Every member of each board are specifically recruited for the skills and expertise they can bring to the Trust and the difference they can make towards ensuring its success. Their roles within the Trust are clearly defined, from school improvement to financial accountability and "value for money".

This will be achieved through a clear focus on:

1. Structures and systems
2. Robust financial accountability processes
3. Scrutiny of economies of scale and effective use of resources

The responsibilities for each Board is clearly defined in the Bronte Academy Trust Scheme of Delegation. This Scheme takes account of the requirements of the converting "founder" schools as opposed to the requirements of sponsored schools as the Boards recognise that the needs of schools joining us later may differ depending on their position at the time of conversion.

● **Main activities undertaken to further the charity's purposes for the public benefit**

The academies offer an education to the whole local community; encouraging good educational standards and an engagement with the wider community.

In setting our objectives and planning our future activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

***Achievements and performance***

● **Key financial performance indicators**

The achievements and performance of the academy trust are summarised as follows:

- Measures of progress exceed national expectations of floor targets
- All schools are financially stable
- Robust staff structures in place across all schools with an effective CPD programme

**BRONTE ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
*FOR THE PERIOD ENDED 31 AUGUST 2016*

---

● **Review of activities**

The majority of the academy trust's income is obtained from the Education Funding Agency (EFA) in the form of the General Annual Grant (GAG) and it also received other grants such as pupil premium, the use of which is restricted to particular purposes. The grants received from the EFA and other sources during the period ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period, assets of £3,744,635 were transferred into the trust on conversion, with other incoming resources totalling £508,509, which was adequate to cover the outgoing resources, resulting in a net surplus of £3,345,541. The unrestricted fund and restricted fund showed a surplus of £212,577 and £6,514 respectively for the period.

The net book value of fixed assets was £4,474,450 as at 31 August 2016. These assets were exclusively for providing educational and support services to the academy trust.

● **Investment policy and performance**

The academy trust's funds are generally held in a low risk interest bearing bank current account. The academy trust also has the power to delegate the management of investments to a financial expert, under constant review and instruction of the trustees, for any funds not immediately required, with the object of maximising returns on surplus funds.



**TRUSTEES' REPORT (continued)**  
*FOR THE PERIOD ENDED 31 AUGUST 2016*

---

***Financial review***

● **Going concern**

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

● **Principal risks and uncertainties**

The trustees have examined the major risks that the academy trust faces each financial year when preparing and updating the strategic plan. The academy trust has developed systems to monitor and control these risks to mitigate any impact they may have on the academy trust in the future. There are many uncertainties which are subjective in nature and difficult to quantify. The following key risk has been identified:

Government Funding - The academy trust has considerable reliance on continued government funding through the DfE/EFA and local authority, which represented the majority of total revenue for the period.

Ofsted Assessment - The academy trust constituent schools are currently rated outstanding by Ofsted and the trust places great importance on maintaining this status.

● **Reserves policy**

The trustees will review the level of reserves annually. Unrestricted funds have been accumulated to a level which is considered sufficient to meet unexpected expenditure and may also be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Unrestricted fund, restricted general funds and restricted fixed asset funds carried forward were £212,577, £6,514 and £4,474,450 respectively. There is no restriction on the amount of GAG that may be carried forward, however the surplus must continue to be used to meet the normal running costs of the academy trust.

The trustees are of the opinion that there is adequate working capital in the form of net current assets amounting to £219,091.

***Plans for future periods***

● **Future developments**

The academy trust's key plan for the future is to continue to protect against any unforeseen impacts by operating at a surplus, whilst prioritising maximum resources to ensure excellent teaching and learning of pupils.

The following primary school joined the academy trust on 1 September 2016:

Haworth Primary School, Keighley

**BRONTE ACADEMY TRUST**  
(A company limited by guarantee)

**TRUSTEES' REPORT (continued)**  
FOR THE PERIOD ENDED 31 AUGUST 2016

---

**Disclosure of information to auditors**

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

- so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report, incorporating a strategic report, was approved by order of the board of trustees as the company directors, on 15 Feb 2017 and signed on its behalf by:

  
John Anthony Broughton  
Chair of Trustees

## **GOVERNANCE STATEMENT**

---

### ***Scope of Responsibility***

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

The board of trustees 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 Bronte Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### ***Governance***

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

Trustee	Meetings attended	Out of a possible
John Anthony Broughton, Chair	1	1
John Brownless	1	1
Sarah-Jayne Cotton	0	1
Stephen Christopher Gant	1	1
Gillian Holland, Accounting officer	1	1
Jennifer Mary Mayo	1	1
Trevor Olsson	1	1
Joanne Louise Pagdin	1	1
Helen Sarah Thompson	1	1
Kath Waddington	1	1

### ***Review of Value for money***

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

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

- For the 2015/2016 financial period the trust joined the Department for Education's Risk Protection Arrangement which provided a reduction in cost compared to a commercial insurance product.
- A greater focus on the control of energy usage and the instigation of an improved tender process.
- A focus on aligning contract providers between the constituent schools of the academy trust.
- Continuing to follow the general principles of probity, accountability and fairness, and obtaining several quotes for significant items of expenditure taking into account a range of factors other than the cost, such as the reputation and past performance of potential suppliers.
- Obtaining quotes from several firms of auditors leading the trust to appoint BHP Clough & Company LLP after careful consideration of the balance between perceived level of business partnership and price.

## **GOVERNANCE STATEMENT (continued)**

---

### ***The Purpose of the System of Internal Control***

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bronte Academy Trust for the Period 26 May 2016 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

### ***Capacity to Handle Risk***

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the Period 26 May 2016 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

### ***The Risk and Control Framework***

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the internal auditor of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Alan Jarvis as internal auditor.

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

Due to the short financial period, there were no checks made. However, the trustees understand the importance of such checks being made for the forthcoming financial year.

**GOVERNANCE STATEMENT (continued)**

---

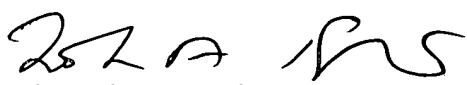
***Review of Effectiveness***

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

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the internal auditor and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 15 Feb 2017 and signed on their behalf, by:



**John Anthony Broughton**  
Chair of Trustees



**Gillian Holland**  
Accounting Officer

**BRONTE ACADEMY TRUST**  
**(A company limited by guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

---

As Accounting Officer of Bronte Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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



**Gillian Holland**  
**Accounting Officer**

**BRONTE ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
FOR THE PERIOD ENDED 31 AUGUST 2016

---

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

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

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

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

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

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

Approved by order of the members of the board of trustees on 15 Feb 2017 and signed on its behalf by:

  
John Anthony Broughton  
Chair of Trustees

**BRONTE ACADEMY TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BRONTE ACADEMY TRUST**

---

We have audited the financial statements of Bronte Academy Trust for the Period ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**Respective responsibilities of trustees and auditors**

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

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

**Scope of the audit of the financial statements**

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

**Opinion on financial statements**

In our opinion the financial statements:

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



**BRONTE ACADEMY TRUST**  
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF BRONTE ACADEMY TRUST**

---

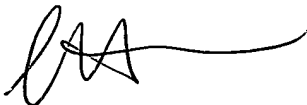
**Opinion on other matter prescribed by the Companies Act 2006**

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

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

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

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



Lesley Kendrew (Senior statutory auditor)

for and on behalf of

**BHP Clough & Company LLP**

Statutory Auditors

New Chartford House

Centurion Way

Cleckheaton

BD19 3QB

Date: 15 FEBRUARY 2017

**BRONTE ACADEMY TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BRONTE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

---

In accordance with the terms of our engagement letter dated 18 July 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bronte Academy Trust during the Period 26 May 2016 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Bronte Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Bronte Academy Trust's funding agreement with the Secretary of State for Education dated 23 June 2016, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the Period 26 May 2016 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BRONTE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

---

The work undertaken to draw our conclusion includes:

- checking that the academy trust's activities are consistent with its framework and its charitable objectives,
- checking that the governors and key staff have disclosed their interest in related parties, discussing the same with management and reviewing transactions during the period for undisclosed related party transactions,
- checking that any related party transactions during the period are conducted at normal commercial rates,
- checking that academy trust expenditure is permitted by its funding agreement,
- checking that any borrowings entered into, including leases, are in accordance with the Academies Handbook,
- checking that any land and building transactions, especially disposals, are in line with the funding agreement and Academies Handbook

**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 26 May 2016 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Lesley Kendrew (Reporting accountant)

for and on behalf of

**BHP Clough & Company LLP**

Reporting Accountants

New Chartford House  
Centurion Way  
Cleckheaton  
BD19 3QB

Date: 15 FEBRUARY 2017

**BRONTE ACADEMY TRUST**  
**(A company limited by guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE PERIOD ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
<b>Income from:</b>					
Transfers from Local Authority on conversion	2	171,007	(925,000)	4,498,628	3,744,635
Charitable activities	3	41,485	466,939	-	508,424
Investments	4	85	-	-	85
<b>Total income</b>		<b>212,577</b>	<b>(458,061)</b>	<b>4,498,628</b>	<b>4,253,144</b>
<b>Expenditure on:</b>					
Charitable activities		-	485,672	27,931	513,603
<b>Total expenditure</b>	5	<b>-</b>	<b>485,672</b>	<b>27,931</b>	<b>513,603</b>
<b>Net income / (expenditure) before transfers</b>		<b>212,577</b>	<b>(943,733)</b>	<b>4,470,697</b>	<b>3,739,541</b>
Transfers between Funds	16	-	(3,753)	3,753	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>212,577</b>	<b>(947,486)</b>	<b>4,474,450</b>	<b>3,739,541</b>
Actuarial losses on defined benefit pension schemes	21	-	(394,000)	-	(394,000)
<b>Net movement in funds</b>		<b>212,577</b>	<b>(1,341,486)</b>	<b>4,474,450</b>	<b>3,345,541</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		-	-	-	-
<b>Total funds carried forward</b>		<b>212,577</b>	<b>(1,341,486)</b>	<b>4,474,450</b>	<b>3,345,541</b>


All of the academy's activities derive from continuing operations in the current period

**BRONTE ACADEMY TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 10201636**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£	2016 £
<b>Fixed assets</b>			
Tangible assets	13		4,474,450
<b>Current assets</b>			
Debtors	14	134,039	
Cash at bank and in hand		304,353	
		<u>438,392</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(219,301)</u>	
<b>Net current assets</b>			<u>219,091</u>
<b>Total assets less current liabilities</b>			<u>4,693,541</u>
Defined benefit pension scheme liability	21		<u>(1,348,000)</u>
<b>Net assets including pension scheme liabilities</b>			<u><u>3,345,541</u></u>
<b>Funds of the academy</b>			
Restricted income funds:			
Restricted income funds	16	6,514	
Restricted fixed asset funds	16	4,474,450	
		<u>4,480,964</u>	
Restricted income funds excluding pension liability			
Pension reserve		<u>(1,348,000)</u>	
Total restricted income funds			<u>3,132,964</u>
Unrestricted income funds	16		<u>212,577</u>
<b>Total funds</b>			<u><u>3,345,541</u></u>

The financial statements were approved by the trustees, and authorised for issue, on  
are signed on their behalf, by:

  
**John Anthony Broughton**  
**Chair of Trustees**

11 Feb  
2017

and

The notes on pages 21 to 42 form part of these financial statements.

**BRONTE ACADEMY TRUST**  
**(A company limited by guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 AUGUST 2016**

		Period ended 31 August 2016 £
	Note	
<b>Cash flows from operating activities</b>		
Net cash provided by operating activities	18	<b>137,099</b>
<b>Cash flows from investing activities:</b>		
Purchase of tangible fixed assets		<b>(3,753)</b>
<b>Net cash used in investing activities</b>		<b>(3,753)</b>
Cash and cash equivalents transferred on conversion		<b>171,007</b>
<b>Net cash provided by financing activities</b>		<b>171,007</b>
<b>Change in cash and cash equivalents in the Period</b>		<b>304,353</b>
Cash and cash equivalents brought forward		-
<b>Cash and cash equivalents carried forward</b>	19	<b>304,353</b>

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

**BRONTE ACADEMY TRUST**  
**(A company limited by guarantee)**

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

---

**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 of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Bronte Academy Trust constitutes a public benefit entity as defined by FRS 102.

**1.2 Fund accounting**

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

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

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

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

---

**1. Accounting Policies (continued)**

**1.3 Income**

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

**1.4 Expenditure**

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

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



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

---

**1. Accounting Policies (continued)**

**1.5 Going concern**

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

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised.

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

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

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

Freehold property	-	2% straight line basis
Freehold land	-	not depreciated
Fixtures and fittings	-	10% & 20% straight line basis
Computer equipment	-	33.3% & 20% straight line basis

**1.7 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

**1.8 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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

---

**1. Accounting Policies (continued)**

**1.9 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.10 Liabilities and provisions**

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

**1.11 Financial instruments**

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

**1.12 Taxation**

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

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

---

**1. Accounting Policies (continued)**

**1.13 Pensions**

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1.14 Conversion to an academy trust**

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

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

Further details of the transaction are set out in note 20.

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

**1. Accounting Policies (continued)**

**1.15 Leased assets**

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

**1.16 Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on a actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**2. Income from donations and capital grants**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Transfers from Local Authority on conversion	171,007	(925,000)	4,498,628	3,744,635
Total donations and capital grants	171,007	(925,000)	4,498,628	3,744,635

**BRONTE ACADEMY TRUST**  
(A company limited by guarantee)

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

**3. Funding for Academy's educational operations**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
<b>DfE/EFA grants</b>			
General Annual Grant	-	412,387	412,387
Other DfE/EFA grants	-	41,359	41,359
	-	453,746	453,746
<b>Other government grants</b>			
Special Educational Needs	-	516	516
Other government grants non capital	-	12,677	12,677
	-	13,193	13,193
<b>Other funding</b>			
Internal catering income	4,383	-	4,383
Other	37,102	-	37,102
	41,485	-	41,485
	41,485	466,939	508,424

**4. Investment income**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
Bank interest	85	-	85

**BRONTE ACADEMY TRUST**  
**(A company limited by guarantee)**

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

**5. Expenditure**

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £
Education:				
Direct costs	392,291	-	(10,352)	381,939
Support costs	25,362	11,538	94,764	131,664
	<u>417,653</u>	<u>11,538</u>	<u>84,412</u>	<u>513,603</u>

**BRONTE ACADEMY TRUST**  
**(A company limited by guarantee)**

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

**6. Charitable Activities**

	2016 £
<b><i>Direct costs - educational operations</i></b>	
Wages and salaries	292,814
National insurance	23,037
Pension costs	32,440
Pension finance costs	4,000
Technology costs	128
Educational supplies	989
Legal and professional	600
Depreciation	27,931
	<hr/> 381,939
<b><i>Support costs- educational operations</i></b>	
Wages and salaries	20,545
National insurance	1,902
Pension costs	46,915
Staff development	8
Educational supplies	5,588
Maintenance of premises and equipment	6,693
Technology costs	2,811
Office overheads	2,051
Cleaning	220
Rent and rates	1,488
Heat and light	3,137
Insurance	2,763
Catering	5,122
Bank interest and charges	208
Legal and professional	20,457
Governance - audit and accountancy	6,000
Other costs	5,756
	<hr/> 131,664
<b>Total direct and support costs</b>	<hr/> <hr/> 513,603

**BRONTE ACADEMY TRUST**  
**(A company limited by guarantee)**

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

---

**7. Net incoming resources/(resources expended)**

This is stated after charging:

	Period ended 31 August 2016 £
Depreciation of tangible fixed assets:	
- owned by the charity	27,931
Fees payable to auditor: Audit	5,250
Fees payable to auditor: Other services	750
	<hr/> <hr/>



**BRONTE ACADEMY TRUST**  
**(A company limited by guarantee)**

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

---

**8. Staff costs**

Staff costs were as follows:

	Period ended 31 August 2016 £
Wages and salaries	313,359
Social security costs	24,939
Operating costs of defined benefit pension schemes	79,355
	<hr/>
	417,653
	<hr/>

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

	Period ended 31 August 2016 No.
Teaching	26
Administration and support	78
Management	6
	<hr/>
	110
	<hr/>

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

	Period ended 31 August 2016 No.
In the band £ 70,001 - £ 80,000	1

The key management personnel of the academy trust comprise the trustees and senior management team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £75,307.

**9. Central services**

No central services were provided by the academy to its academies during the Period and no central charges arose.

**BRONTE ACADEMY TRUST**  
**(A company limited by guarantee)**

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

---

**10. Trustees' remuneration and expenses**

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

		Period ended 31 August 2016 £
Gillian Holland (Head Teacher & Trustee)	Remuneration	10,000-15,000
	Pension contributions paid	0-5,000
Jennifer Mary Mayo (Head Teacher & Trustee)	Remuneration	5,000-10,000
	Pension contributions paid	0-5,000

During the Period, no trustees received any benefits in kind.

During the Period, no trustees received any reimbursement of expenses.

**11. Trustees' and Officers' Insurance**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the Period ended 31 August 2016 is not separable as the RPA charge is based on student numbers. The costs of this insurance is included in the total insurance cost.

**12. Other finance income**

	Period ended 31 August 2016 £
Interest on pension scheme liabilities	(4,000)

---

**BRONTE ACADEMY TRUST**  
(A company limited by guarantee)

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

**13. Tangible fixed assets**

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
Additions	-	-	3,753	3,753
Transfer on conversion	4,075,440	265,365	157,823	4,498,628
At 31 August 2016	4,075,440	265,365	161,576	4,502,381
<b>Depreciation</b>				
Charge for the Period	10,193	8,846	8,892	27,931
At 31 August 2016	10,193	8,846	8,892	27,931
<b>Net book value</b>				
At 31 August 2016	4,065,247	256,519	152,684	4,474,450

Freehold property

On conversion to Academy status, freehold property has been shown at its assessed fair value.

Inherited assets other than land and buildings

Furniture and fittings, and computer equipment inherited on conversion have been shown at their assessed fair value.

**14. Debtors**

	2016 £
VAT repayable	9,705
Prepayments and accrued income	124,334
	<u>134,039</u>

**15. Creditors: Amounts falling due within one year**

	2016 £
Trade creditors	134,641
Other creditors	640
Accruals and deferred income	84,020
	<u>219,301</u>

**BRONTE ACADEMY TRUST**  
(A company limited by guarantee)

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

**15. Creditors: Amounts falling due within one year (continued)**

	£
<i>Deferred income</i>	
Resources deferred during the period	<b>68,513</b>

At the balance sheet date the academy trust was holding funds received in advance for free school meals and pupil premium, which relate to 2016/17.

**16. Statement of funds**

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<i>Unrestricted funds</i>						
General funds	-	212,577	-	-	-	212,577
<i>Restricted funds</i>						
Restricted Funds	-	466,939	(456,672)	(3,753)	-	6,514
Pension reserve	-	(925,000)	(29,000)	-	(394,000)	(1,348,000)
	-	(458,061)	(485,672)	(3,753)	(394,000)	(1,341,486)
<i>Restricted fixed asset funds</i>						
Restricted Fixed Asset Funds	-	4,498,628	(27,931)	3,753	-	4,474,450
Total restricted funds	-	4,040,567	(513,603)	-	(394,000)	3,132,964
Total of funds	-	4,253,144	(513,603)	-	(394,000)	3,345,541

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

**Restricted general funds**

GAG must be used for the normal running costs of the academy trust. Funds inherited on conversion were used for the normal running costs of the academy trust.

Other DfE/EFA and government grants are used specifically for the purpose for which they are intended.

The restricted pension reserve represents the deficit on the two academies in the trust's share of the Local Government Pension Scheme as at 31 August 2016.

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

**16. Statement of funds (continued)**

**Restricted fixed asset funds**

Transfer of fixed assets relates to the value applied to furniture and equipment on conversion from schools to an academy trust. EFA capital grants relate to expenditure incurred on leasehold improvements and furniture and equipment.

**Unrestricted funds**

Unrestricted funds relate to catering income and school clubs, and may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

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

**Analysis of academies by fund balance**

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £
Lees Primary School	98,752
Oakworth Primary School	120,339
	<hr/>
Total before fixed asset fund and pension reserve	219,091
Restricted fixed asset fund	4,474,450
Pension reserve	(1,348,000)
	<hr/>
Total	3,345,541
	<hr/> <hr/>

**Analysis of academies by cost**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2016 £
Lees Primary School	124,136	12,368	18	22,758	159,280
Oakworth Primary School	272,155	12,994	6,559	34,684	326,392
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	396,291	25,362	6,577	57,442	485,672
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**BRONTE ACADEMY TRUST**  
(A company limited by guarantee)

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

**17. Analysis of net assets between funds**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	4,474,450	4,474,450
Current assets	431,878	6,514	-	438,392
Creditors due within one year	(219,301)	-	-	(219,301)
Provisions for liabilities and charges	-	(1,348,000)	-	(1,348,000)
	<u>212,577</u>	<u>(1,341,486)</u>	<u>4,474,450</u>	<u>3,345,541</u>

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

	Period ended 31 August 2016 £
Net income for the year (as per Statement of financial activities)	3,739,541
<b>Adjustment for:</b>	
Depreciation charges	27,931
Increase in debtors	(134,039)
Increase in creditors	219,301
Defined benefit pension scheme cost less contributions payable	25,000
Defined benefit pension scheme finance cost	4,000
Net gain on assets and liabilities from local authority on conversion	(3,744,635)
<b>Net cash provided by operating activities</b>	<u>137,099</u>

**19. Analysis of cash and cash equivalents**

	Period ended 31 August 2016 £
Cash in hand	304,353
Total	<u>304,353</u>

**BRONTE ACADEMY TRUST**  
**(A company limited by guarantee)**

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

**20. Conversion to an academy trust**

On 1 July 2016 Lees Primary School and Oakworth Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bronte Academy Trust from Bradford Metropolitan District Council for £NIL consideration.

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

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

**Lees Primary School**

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	1,200,340	1,200,340
Other tangible fixed assets	-	-	85,525	85,525
Budget surplus/(deficit) on LA funds	47,669	-	-	47,669
Budget surplus/(deficit) on other school funds	16,804	-	-	16,804
LGPS pension surplus/(deficit)	-	(265,000)	-	(265,000)
Net assets/(liabilities)	<u>64,473</u>	<u>(265,000)</u>	<u>1,285,865</u>	<u>1,085,338</u>

**Oakworth Primary School**

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	2,875,100	2,875,100
Other tangible fixed assets	-	-	337,663	337,663
Budget surplus/(deficit) on LA funds	83,301	-	-	83,301
Budget surplus/(deficit) on other school funds	23,233	-	-	23,233
LGPS pension surplus/(deficit)	-	(660,000)	-	(660,000)
Net assets/(liabilities)	<u>106,534</u>	<u>(660,000)</u>	<u>3,212,763</u>	<u>2,659,297</u>

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

---

**21. Pension commitments**

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

As described in note 20 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

There were no outstanding or prepaid contributions at either the beginning or end of the financial period. However, an accrual has been made for employer pension contributions deducted at the incorrect rate.

***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***

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (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



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

---

**21. Pension commitments (continued)**

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

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

The employer's pension costs paid to TPS in the period amounted to £25,840.

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

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

***Local Government Pension Scheme***

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the Period ended 31 August 2016 was £27,000, of which employer's contributions totalled £19,000. and employees' contributions totalled £8,000. The agreed contribution rates for future years are between 12.2% and 18.4% for employers and between 5.5% and 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.

West Yorkshire Local Government Pension Scheme

Principal actuarial assumptions:

	2016
Discount rate for scheme liabilities	2.00 %
Rate of increase in salaries	3.40 %
Rate of increase for pensions in payment / inflation	1.90 %
Inflation assumption (CPI)	1.90 %
Inflation assumption (RPI)	3.00 %

**BRONTE ACADEMY TRUST**  
**(A company limited by guarantee)**

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

**21. Pension commitments (continued)**

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

	<b>2016</b>
Retiring today	
Males	<b>22.7</b>
Females	<b>25.6</b>
Retiring in 20 years	
Males	<b>24.9</b>
Females	<b>28</b>

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

	Fair value at 31 August 2016 £
Equities	1,297,728
Government bonds	193,536
Corporate bonds	72,576
Property	82,944
Cash	24,192
Other	57,024
Total market value of assets	<u><u>1,728,000</u></u>

The actual return on scheme assets was £102,000.

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

	Period ended 31 August 2016 £
Current service cost (net of employee contributions)	(44,000)
Net interest cost	(4,000)
Total	<u><u>(48,000)</u></u>
Actual return on scheme assets	<u><u>102,000</u></u>

**BRONTE ACADEMY TRUST**  
**(A company limited by guarantee)**

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

**21. Pension commitments (continued)**

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

	Period ended 31 August 2016 £
Upon conversion	2,525,000
Current service cost	44,000
Interest cost	11,000
Contributions by employees	8,000
Actuarial losses	489,000
Benefits paid	(1,000)
	<hr/>
Closing defined benefit obligation	3,076,000
	<hr/> <hr/>

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

	Period ended 31 August 2016 £
Upon conversion	1,600,000
Interest income	7,000
Actuarial gains and (losses)	95,000
Contributions by employer	19,000
Contributions by employees	8,000
Benefits paid	(1,000)
	<hr/>
Closing fair value of scheme assets	1,728,000
	<hr/> <hr/>

**22. Operating lease commitments**

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

	2016 £
<b>Amounts payable:</b>	
Within 1 year	5,094
Between 1 and 5 years	7,440
	<hr/>
Total	12,534
	<hr/> <hr/>

**BRONTE ACADEMY TRUST**  
**(A company limited by guarantee)**

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

---

**23. Members' liability**

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

**24. Related party transactions**

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

**25. Post balance sheet events**

The following primary school joined the academy trust on 1 September 2016:

Haworth Primary School, Keighley