

University of Brighton Academies Trust  
(A Company Limited by Guarantee)

Annual Report and Financial Statements  
Year ended 31 August 2020



Company Registration Number: 7185046 (England and Wales)

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## Reference and Administrative Details

<b>Members:</b>	University of Brighton Jill Elizabeth Gray Professor Christopher Pole
<b>Trustees:</b>	Arthur Copple (to 20 May 2020) Siobhan Denning Jill Elizabeth Gray Lorraine Harrison Christopher Kirkness (to 10 December 2019) Chris McFadden (from 8 July 2020) Jeremy Nurse (from 8 July 2020) Professor Christopher Pole (Chair) Dr John Smith (Chief Executive and Accounting Officer) Miles Smith (from 8 July 2020) Janey Walker Mark Whitby (to 23 September 2019) Paul Whiteing (from 8 July 2020) Andrew Wilson
<b>Company Secretary:</b>	Samantha Coates
<b>Executive Management Team:</b>	
Chief Executive	Dr John Smith
Executive Director of Strategy	Samantha Coates
Executive Director of School Improvement	Dylan Davies
Executive Director of Finance and Operations	Tom Scully
<b>Company Name:</b>	University of Brighton Academies Trust
<b>Principal and Registered Office:</b>	Multi-Academy Trust Office University of Brighton Checkland Building, Room A304, Falmer Campus Village Way Brighton BN1 9PH
<b>Company Registration Number:</b>	07185046
<b>Independent Auditor:</b>	Azets Audit Services Greytown House 221-227 High Street Orpington Kent BR6 0NZ
<b>Bankers:</b>	Lloyds Bank North Street Brighton BN1 1GL
<b>Solicitors:</b>	Mills & Reeve LLP

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Birmingham  
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# Trustees' Report

## Introduction

The Trustees present their annual report together with the financial statements and Auditors' Report of the University of Brighton Academies Trust for the year ended 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The University of Brighton Academies Trust has been established for the purpose of advancing education in the United Kingdom for the public benefit. It is sponsored by the University of Brighton.

The Trust operates fifteen academies in Sussex as follows:

Name	Phase	Academy Route (Date joined)	Characteristic	NOR (Oct 20 census)	+ Special Facility	+ Nursery
<b>Hastings</b>						
The Hastings Academy	Secondary	Sponsored (September 2011)	Mainstream with special facility	891	6	-
The Baird Primary Academy	Primary	Sponsored (January 2014)	Mainstream with nursery	399	-	16
Dudley Infant Academy	Infant	Converter (November 2013)	Mainstream	174	-	-
<b>St Leonards</b>						
The St Leonards Academy	Secondary	Sponsored (September 2011)	Mainstream with special facility	1470	18	-
Churchwood Primary Academy	Primary	Converter (September 2014)	Mainstream with nursery and special facility	239	8	30
Hollington Primary Academy	Primary	Converter (September 2014)	Mainstream with nursery	412	-	43
Rosback Wood Primary Academy	Primary	Converter (September 2014)	Mainstream with nursery	464	-	77
Silverdale Primary Academy	Primary	Converter (February 2015)	Mainstream	621	-	-
West St Leonards Primary Academy	Primary	Sponsored (November 2013)	Mainstream with special facility	388	12	-
<b>Brighton &amp; Hove</b>						
Holmbush Primary Academy	Primary	Converter (April 2015)	Mainstream with nursery	215	-	16
<b>Mid Sussex</b>						
Blackthorns Community Primary Academy	Primary	Converter (April 2015)	Mainstream with special facility	211	4	-
Lindfield Primary Academy	Primary	Converter (September 2015)	Mainstream	625	-	-

The Burgess Hill Academy	Secondary	Sponsored (September 2016)	Mainstream	954	-	-
<b>Crawley</b>						
Desmond Anderson Primary Academy	Primary	Converter (February 2017)	Mainstream with special facility and nursery	433	20	23
Pound Hill Infant Academy	Infant	Converter (September 2015)	Mainstream	269	-	-
<b>Total</b>				<b>7765</b>	<b>68</b>	<b>205</b>
<b>Grand total</b>				<b>8038</b>		

Further significant expansion of the Trust is not anticipated.

## Overview of our 2019/20 accounts

The Annual Report and Accounts that follow cover the University of Brighton Academy Trust's 15 academies and its central functions. In order to help readers understand how the financial performance of the Trust compares to prior years, the table below and analysis in this section only looks at underlying figures. In both years, it takes the net operating deficit, and adds back significant non-cash accounting entries (relating to the depreciation of fixed assets and an adjustment to the LGPS pension liability in both years). It is, therefore, a comparison of the financial performance of our 15 academies and their overarching structure, prepared on the same basis, and without the impact of non-cash accounting adjustments which mask underlying performance.

£'000s	2019/20		2018/19		Variance	
	Per Accounts	Underlying	Per Accounts	Underlying	£'000	%
<b>Income</b>						
Grant income	43,147	43,147	40,416	40,416	2,731	6.8%
Transfer income	-	-	-	-	-	-
Other income	1,491	1,491	2,118	2,118	(627)	(29.6%)
Donations	106	106	235	235	(129)	(55.0%)
	44,744	44,744	42,769	42,769	1,975	4.6%
<b>Expenditure</b>						
Pay	37,712	34,857	34,698	32,950	1,907	5.8%
Premises	4,565	3,849	3,949	3,231	618	19.1%
Other	6,865	6,865	6,292	6,292	573	9.1%
	49,142	45,571	44,939	42,473	3,098	7.3%
<b>Net Surplus/(Deficit)</b>	<b>(4,398)</b>	<b>(827)</b>	<b>(2,170)</b>	<b>296</b>	<b>(1,123)</b>	

Key metrics						
Number on Roll*	7,775	7,775	7,624	7,624	151	2.0%
Income/pupil	5.75	5.75	5.61	5.61	0.15	2.6%
Pay cost/pupil	4.85	4.48	4.55	4.32	0.16	3.7%
Non-pay cost/pupil	1.47	1.38	1.34	1.25	0.13	10.3%

*\*Note that the number on roll in this table is as at October 2019 and 2018 respectively (since that is the period to which the financial performance relates) and will therefore not reconcile to the table in the "Introduction" section*

On this underlying basis, total grant income has increased by £2.7m (6.8%), from £40.4m to £43.1m. This reflects an increase in pupil numbers of 3.4%, and changes to the overall funding formula for academies (including an increase in AWP, deprivation and minimum funding guarantee). Non grant income has dropped from £2.4m to £1.6m (£756k decrease); the main driver of this is COVID-19 impacted income such as school trips, hire of facilities, nursery, etc. In total, income is up £2m (4.6%), up 2.6% on a per pupil basis, from £5.61k to £5.75k.

The total increase in income has been almost entirely eroded by increases in pay and pensions, with staff costs rising by £1.9m (5.8%) in the period to £34.8m (excluding non-cash adjustments). Other increases in spending largely reflect the planned one-off spending of reserves to fund buildings and ICT infrastructure improvements, which had a combined impact of £1.8m additional budget in the year.

As a result, the underlying outturn for the year is a deficit of £827k, which is down £1.1m on the prior year. Stripping out the effect of one-off buildings, ICT improvements and C19, the underlying outturn for the year would be a surplus of £111k.

## **Structure, Governance and Management**

### ***Constitution***

The Trust is a company limited by guarantee and an exempt charity. The Memorandum and Articles of Association are the primary governing documents of the Trust. The Trustees are also the Directors of the charitable company for the purposes of Company Law. The University of Brighton is the sponsor of the Trust.

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details section above.

### ***Members' Liability***

Each member of the Trust undertakes to contribute to the assets of the Trust 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.

### ***Trustees' Indemnities***

Every Trustee is indemnified out of the assets of the Trust against any liability incurred by him/her in that capacity in defending any proceedings, whether criminal or civil, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Trust.

### ***Method of Recruitment and Appointment or Election of Trustees***

In accordance with the Trust's Articles of association, the University of Brighton, as sponsor, may appoint up to nine Trustees. The Chief Executive is an ex-officio Trustee. The Board of Trustees may also co-opt additional Trustees to join the Board.

### ***Policies and Procedures Adopted for the Induction and Training of Trustees***

The Trust is committed to adopting best practice in all aspects of corporate governance. The current Trustees have been selected on the basis of having experience at Board level in other similar organisations. The Trust has established procedures for the induction and training of new Trustees, who may not have the same level of experience. A similar approach is taken to the induction and training of new members of local boards.

### ***Organisational Structure***

The Board of Trustees, which meets at least six times a year, is supported by four specialist committees (Education & Standards; Finance & Resources; Risk & Audit; and Remuneration & HR), a Local Board for each academy or group of academies (local board responsibilities include community engagement and pupil wellbeing, including behaviour, attendance and safeguarding) and a formally



constituted Chairs' Forum (comprising trustees and local board chairs). These committees normally meet two - three times a year.

Each Local Board includes up to two members who are parents of students/pupils in the academy, who are elected by parent of students/pupils in the academy (in the case of local boards which oversee more than one academy, there is one parent representative from each academy). A further member of each Local Board is a member of staff of the academy, who is elected by staff in the academy.

The Trust is managed by the Chief Executive together with an executive leadership team comprising the Executive Director of Finance and Operations, the Executive Director of School Improvement and the Executive Director of Strategy. The Executive Leadership Team oversees all education provision in the Trust, as well as its professional services (Estates and Facilities Management, Finance, People, ICT, Marketing and Communications, and Governance and Admissions).

Academy leadership is led by a Principal supported by a senior leadership team.

All academy Principals, Heads of Professional Service and the Trust's Executive Team form a Senior Management Team. Members work collaboratively, taking joint responsibility for the outcomes of all of our pupils and for the efficient and effective management of the Trust's resources.

A 'Strategic Improvement Group' supports the Executive Director of School Improvement in overseeing school improvement activity across the Trust.

The Trust is a single legal entity which must account separately to the Department for Education in relation to each academy. The Chief Executive is the Trust's Accounting Officer.

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

The pay and remuneration of key management personnel (members of the Executive Team, Academy Principals and Heads of Professional Services) is in accordance with the Trust's Leadership Pay Policy. The pay of the Chief Executive, Executive Director of Finance and Operations, the Executive Director of School Improvement and the Executive Director of Strategy is determined by the Board of Trustees.

#### ***Trade Union Facilities Time***

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations, the Trust publishes information about Trade Union Facilities Time.

The reporting is based on data during a 'relevant period', which is 12 months commencing 1 April. The information below is for the relevant period from 1 April 2019 to 31 March 2020.

#### ***Relevant union officials***

<b>Number of employees who were relevant union officials during the relevant period</b>	<b>Full-time equivalent employee number</b>
8	7.47

#### ***Percentage of time spent on facility time***

<b>Percentage of time</b>	<b>Number of employees who were relevant union officials</b>
0%	6
1%-50%	2
51%-99%	0
100%	0

NB. One workplace representative spent 0.08% of time performing paid trade union activities although this is reported as 0%. 2 representatives spent 3.51% of time performing paid trade union activities. No other representatives performed any duties in the relevant period.

**Percentage of pay bill spent on facility time**

Provide the total cost of facility time	£2,147,42
Provide the total pay bill	£37,712,137
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	0.01%

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) x 100	100%
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**Related Parties and other Connected Charities and Organisations**

The Trust currently has one Related Party, which is the sponsor of the Trust: the University of Brighton. The University is also a Member of the Trust. This related party arrangement involves the following transactions:

- The contract of employment of the Chief Executive is held by the University.
- The provision of ad hoc marketing and design support by the University to the Trust
- The provision of ad hoc hospitality and administration (eg access to photocopiers) by the University to the Trust
- The provision of an internal audit service by the University to the Trust
- A range of initial teacher training activity, including a School Direct partnership between the University and the Trust

Each of these are provided 'at cost' and offer considerable value for money for the Trust.

**Engagement with employees (including disabled persons)**

The Trust's People department ensures that individual employees are informed about all matters affecting their employment, such as changes to salary and other contractual matters. A new HR and Payroll system was implemented during 2019/20, which incorporates an Employee Self Service element, improving access by employees to their employment information.

There is a Recognition and Procedural Agreement between the Trust and its main trade unions for support and teaching staff. Local meetings between trade union representatives and academy senior staff are complemented by a Trust Joint Consultation Committee which meets at least three times a year. The Trust and each Union recognise their common interest and joint purpose in furthering the aims and objectives of the Trust and in achieving reasonable solutions to all matters which concern them. This includes:

- Jointly agreeing pay and conditions of employment;
- Good practice with regard to matters of employment and health and safety;
- Effective communication;
- Participation and involvement of staff;
- Effective and prompt resolution of issues and disputes;
- Equal opportunities in employment; and
- Arrangements for discussion of professional issues concerning teaching and learning

The Trust's Strategic Plan is linked with its improvement planning and performance management processes, which enables all staff to contribute to the achievement of the Strategic Plan. This has been strengthened through the development of a new Professional Review Scheme (replacing the Trust's former appraisal policies) during 2019/20.

The Trust's recruitment policy and practice is that all recruitment and selection decisions are free from unlawful discrimination on the grounds of gender, marital status, religion, nationality, race, colour, ethnic origin, political belief, sexual orientation, age, gender re-assignment or disability. The Trust is

registered as 'Disability Confident Committed' and is seeking to gain 'Disability Confident Employer' status. The Trust's Equality and Diversity Policy similar sets out the Trust's commitment to eliminating all forms of discrimination and aims to promote positive attitudes between all people, including those with different abilities.

#### ***Engagement with suppliers, customers and others in a business relationship with the Trust***

The Trust has a supplier approval process to add new ongoing preferred suppliers to the Trust's finance systems; this means that Trust's Finance department can contact suppliers if there are any key changes to finance practices. For preferred suppliers the Trust has preferential procurement limits.

For larger purchases or services the Trust follows published competitive procurement procedures either through a tender competition through a framework or through a tender by non-advertised supplier to known suppliers – this allows the Trust to establish a close working relationship over 3-5 years supported by contract management and, where relevant, service level agreements.

The Trust's Procurement Procedures and Financial Regulations are published on the Trust's website and available for all existing and prospective suppliers to understand the Trust's systems of financial control and financial management.

New finance systems have been implemented which expedite the raising of purchase orders and payment of invoices, which in turn ensure the timely payment of invoices within 30 day payment terms.

The Trust has a central dedicated finance team which can be contacted by suppliers if there are any queries.

## **Objectives and Activities**

#### ***Objects and Aims***

The objectives of the Trust as set out in its Articles of Association are specifically restricted to the following: "to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools".

The Trust's overall aim and mission is to work collaboratively to help its pupils and everyone connected to its academies to achieve excellence. The Trust's values are excellence, integrity and innovation.

#### ***Objectives, Strategies and Activities***

The key features of the Trust's school improvement strategy are based on the Trust's overall vision and the aim to achieve excellence as standard:

- Leading the Trust strategically.
- Improving the workforce.
- Developing and utilising the best leaders.
- Monitoring and review.
- Additional support to vulnerable academies.
- Links with the School of Education, University of Brighton.
- Improved initial teacher education opportunities.
- Continuing professional development opportunities.
- Research opportunities.

The Trust has a Strategic Plan covering the period 2018-2023, approved by the Board of Trustees, which informs and shapes its work to achieve excellence for its pupils, staff and community. Targets and actions in support of the Strategic Plan are agreed annually by the Board of the Trustees.

A Medium Term Financial Plan was developed alongside the Strategic Plan and is designed as a tool

to support effective planning and decision making to ensure i) the longer term financial sustainability of the Trust; and ii) underpin achievement of the strategic priorities and objectives.

The Trust also has a staff Recruitment and Retention Strategy 2018-2023 to complement the Strategic Plan. The strategy is comprised of four themes:

- Staff wellbeing
- Professional development and success planning
- Recruitment processes
- Marketing

### ***Public Benefit***

The Board has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities. In particular, the Trustees considered how planned activities would contribute to the aims and objectives they have set.

The Trust provides benefits to the public through the achievement of its vision, which is as follows:

"We want to help everyone connected to our academies achieve excellence.

- We share a belief that education transforms lives.
- We equip pupils with the skills to fulfil their potential as global citizens.
- Each of our academies has a rich and creative curriculum to ensure that pupils meet their potential and are inspired to continue learning.
- Pupils' experiences are enriched by the University of Brighton's contribution.
- Our academies have a positive impact on their local communities.
- Parents and carers actively engage with their child's learning and pupils understand the positive role they can play in their wider community.
- Our academies support each other to improve by working together."

## **Strategic Report**

### ***Achievements and performance***

Due to the Covid 19 pandemic, and in common with other schools and multi academy trusts, 2019/20 has been an exceptional year for the Trust. There have nevertheless been a number of key achievements during this period:

- During the lockdown period, 240 key worker and vulnerable children across the Trust were supported in the Trust's academies
- Remote learning materials and regular contact and support were provided for all other children and their families
- Prior to the roll out of the national scheme, £158K of free school meal vouchers were provided to families
- Rapid roll out of technology meant that staff could undertake work remotely, accessing systems and remaining in contact with colleagues
- No staff were furloughed, whilst casual and agency staff were paid in full for the hours due to have been worked
- Occupational sick pay was extended for Covid 19 related sickness
- Over £175K of funding was prioritised for additional cleaning supplies and other health and safety equipment

### ***Key performance indicators***

As indicated above, the Trust has a Strategic Plan 2018-2023, and each year annual targets and actions are agreed by the Board of Trustees. The Strategic Plan is comprised of five priority areas:

#### ***Priority 1 – School Improvement***

Due to the Covid 19 pandemic, and in common with all secondary schools, attainment and progress scores in 2019/20 were based on Centre Assessed Grades (or a higher exam-body moderated grade). The provisional scores for the Trust's secondary academies are:

Academy	Attainment 8	% English and Maths awarded grade 4+	% English and Maths awarded grade 5+	Progress 8
The Burgess Hill Academy	51.82 points	75	53	+0.54
The Hastings Academy	37.7 points	54	33	-0.38
The St Leonards Academy	38.67 points	57	30	-0.20

There are no primary datasets for 2019/20 due to the Covid 19 pandemic.

New initiatives to support inclusion and reduce the level of pupil exclusions were successfully implemented during the year, whilst initiatives to improve attendance and reduce persistent absence continued.

Following the immediate priority of supporting all pupils return to school in September 2020, school improvement priorities for the 2020/21 year are focused on ensuring all pupils receive a high quality curriculum, through effective teaching, and that these lead to the best possible outcomes for all pupils across the Trust. Key objectives are for pupils' reading skills and abilities to improve so that they can access the curriculum, learn and be successful at school; and for pupils to be safe and happy in school. Key educational targets for the forthcoming year include:

- All progress measures across the Trust improve towards zero or remain above zero at the end of 2020/21
- Gaps between disadvantaged and other pupils diminishes during 2020/21
- 100% of all internal and external Safeguarding Reviews completed in 2020/21 confirm that safeguarding arrangements are effective

#### *Priority 2 – Strategic Development*

Key achievements during 2019/20 include:

- the continued implemented of a major transformation programme of the Trust's central professional services; specifically, new structures and approaches were approved for the Trust's People and Marketing & Communications functions, adding capacity to support staffing-related plans and improved cross-Trust communications
- the roll out of new or improved technology to achieve more efficient ways of working, which has progressed significantly, including the rollout of Office365 to all staff (a project which was successfully accelerated due to Covid 19) and the implementation of a new HR and Payroll system, a new Content Management System for managing the Trust's 17 different websites and a new finance purchase order system.
- Continued positive engagement with the Hastings Opportunity Area initiative, including ongoing membership of the Hastings Opportunity Area Strategic Board

Key targets for the forthcoming year include:

- The number of Reception Year and Year 7 pupil applications increase, including an increase in the number of first choice preferences
- Pupil mobility reduces during 2020/21
- All Ofsted, RSC and local authority reports/reviews reflect positively on the Trust

#### *Priority 3 - Staffing*

The implementation of the Trust's Recruitment and Retention Strategy 2018-2023 continues to progress positively: key achievements during 2019/20 include:

- the establishment of networks of primary staff (Phonics, English, Maths, Early Years and Special Educational Needs) to share best practice and planning
- the successful completion of a Chartered Management Institute accredited leadership programme by 10 Principals and Heads of Professional Services

- the development of a new Professional Review Scheme which better recognises the hard work and commitment of staff by disaggregating pay and performance and which places a strong focus on professional and career development alongside wellbeing. This will enable all staff to successfully contribute to the achievement of the Trust, their academy, or department's strategic priorities
- the pilot of a new Staff Personal Development Day for all staff (in addition to normal training / INSET days), with autonomy to engage with activities that support their personal / career development

Key targets for the forthcoming year include:

- Staff turnover reduces during 2020/21
- Average number of sickness absence days per staff member reduces during 2020/21

#### *Priority 4 - Resources*

Key achievements during 2019/20 include:

- A major capital development programme at The Burgess Hill Academy, including significant classroom and science laboratory improvements, improving the learning environment for students
- Capital improvement projects at all other academies in the Trust
- Strong budget monitoring, achieving financial sustainability for the Trust

Key targets for the forthcoming year include:

- Maintain a strategic priorities budget equivalent to at least 1% of expenditure
- Full roll out of an Integrated Curriculum Financial Planning approach, with all academies demonstrate progress towards the ICFP starting point targets

#### *Priority 5 – Governance and Accountability*

Key achievements during 2019/20 include:

- The appointment of four new skilled and experienced Trustees and strengthened Local Boards
- A successful first year of the leadership of the Sussex Teacher Training Partnership SCITT
- Strong monitoring and risk management arrangements

Key targets for the forthcoming year include:

- The majority of local boards have approved and are implementing a community / parental engagement strategy
- All new staff in 2020/21 complete required online training on key statutory requirements within two terms of joining the Trust

#### **Key Financial Performance Indicators**

The Trust set out a detailed budget at the start of the year, delivery against that budget has been largely achieved. The budget deficit was £1.9m, underlying outturn was £827k deficit, after adjusting for capital, ICT and C19 the outturn was £111k surplus.

A number of financial indicators and benchmarks are being developed and used to assist Trustees in managing the Trust's financial affairs to ensure efficient operation, liquidity and effective use of resource.

The ratio of staff related expenditure to income was 82% (77% in 2018/19).

#### **Going Concern**

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

### ***Promoting the success of the Trust***

The key mechanism that the Board of Trustees adopts to ensure the success of the Trust is the aforementioned Strategic Plan 2018-2023, supported by the Trust's Medium Term Financial Plan and Recruitment and Retention Strategy. The Strategic Plan is intended to support the achievement of an agreed set of overarching objectives for the five year period by translating the Trust's vision into strategy and then into action. In summary, the purpose of the Plan is to ensure all pupils receive a high quality curriculum, through effective teaching, and that these lead to the best possible outcomes for all pupils across the Trust.

The Strategic Plan is underpinned by an improvement planning cycle and performance management processes, which are designed to enable all academies, departments, staff and governance volunteers to contribute to the achievement of the Strategic Plan through shared responsibility. Specifically, each academy's and department's annual improvement plan and targets are linked to annual targets and actions in the Strategic Plan, as are each staff member's personal goals.

Other mechanisms adopted to ensure the success of the company include:

- Clear and transparent financial and procurement regulations
- A series of Trust-wide policies which are implemented in each academy in the Trust, including:
  - Safeguarding and pupil-related policies
  - Operational policies
  - Staff policies, including a Staff Code of Conduct
  - Information for parents, carers and visitors
  - Data protection policies
- A comprehensive Scheme of Delegation which sets out the responsibilities delegated by the Board of Trustees to its executive leaders and committees. It has been designed to comply with the requirements of the Trust's Articles of Association and Funding Agreements, the Education and Skills Funding Agency's Academies Financial Handbook, Charity Law and the Companies Act 2006.
- A Code of Conduct for Trustees and Committee Members

## **Financial Review**

### ***Financial Position***

During the 2019/20 year grant income of £43.1 million (2018/19: £40.4 million) was received for the achievement of the academies' educational aims and objectives. This was comprised:

- General Annual Grant funding of £33.7 million (2018/19: £32.6m), including:
  - £2.44 million (2018/19: £2.52m) of Pupil Premium funding for the provision of additional support for disadvantaged students
  - £33.7k (2018/19: £69.8k) of literacy and numeracy catch up premium funding to support Year 7 students who did not achieve the expected standard in reading and maths at the end of key stage 2 (KS2)
  - £168k (2018/19: 211k) of PE and sports premium funding to make additional and sustainable improvements to the quality of physical education, physical activity and sport offered in primary academies
  - £163k (2018/19: £496k) of devolved formula capital funding (including an additional capital grant) for capital maintenance requirements
- £1,005k (2018/19: £829k) of capital funding (School Condition Allocation funding and Condition Improvement Funding) to address priority capital maintenance needs.

Additional funds of £152k (2018/19: £233k) have been generated from the letting of academy facilities for educational and community use.

During the year, £49.1 million (2018/19: £44.9m) was expended, resulting in an in-year deficit of £4.4 million (2018/19: £2.2m).

The reserves position as at 31 August 2020 was £84 million (31 August 2019: £92.0m).

Local Government Pension Scheme (LGPS) Adjustments (due to FRS102) amounted to a net loss of £6.2m million (2018/19: £6.8m), taking our Statutory Provision to £17.9 million (2018/19: 11.7m). Pension contributions for 2019/20 are all fully included in the agreed budgets for staffing and this provision does not create an additional cash burden. Parliament has agreed to a guarantee that, in the event of academy closure, outstanding LGPS liabilities will be met by the Department for Education. The guarantee came into force on 18 July 2013.

### ***Reserves Policy***

Academies are funded on a monthly basis by Department for Education (DfE) grants and income fairly matches expenditure, with around 76% being spent on teaching and other staffing costs.

The Trust has defined the reserves policy to ensure that sufficient funds are accumulated to enable school buildings to be maintained and equipment and ICT assets renewed when required in the foreseeable future, as well ensuring that there are additional funds for school improvement activity and a general reserve to cover any cash flow requirements. To that end, the Trustees have established that the available reserves (i.e. excluding those reserves which relate to fixed assets and the LGPS pensions scheme) should be set at 21 days of annual gross expenditure (excluding non-cash adjustments). The total value of available reserves for this purpose is £2.4m, which equates to 19.2 days as at 31 August 2020 (2018/19: £2.7m; 23.4 days). However, the forecast for 2020/21 takes us to a reserves position of £2.7m which equates to 22 days, so back within our targeted range.

Maintaining a level of reserves is essential as the academies have no recourse to any significant income streams other than DfE annual revenue and Multi Academy Trust Capital (School Condition Allocation) Funding.

Accounting for the Local Government Pension Scheme (LGPS) means the accounts recognise a significant pension fund deficit within restricted funds, but this does not mean there is an immediate liability for this amount, rather it reflects the potential for increases in employer pension contributions in future years.

### ***Investment Policy***

The Trust does not hold any investments. Cash balances which are not required for day to day operations are held within 30-day term deposit accounts for the purposes of income generation. Interest earned in the year amounted to £29k (2018/19: £30k)

### ***Principal Risks and Uncertainties***

Trustees are of the view that there is an ongoing process for identifying, evaluating and managing the Trust's significant risks. The Board of Trustees is responsible for the Trust's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than to eliminate the risk of failure to achieve business objectives and can only provide reasonable assurance against material misstatement or loss. The Trust has developed comprehensive financial and risk management policies which are in accordance with the recommendations laid down in the Academies Financial Handbook issued by the Education and Skills Funding Agency and in line with recognised good practice.

The Trust's Risk and Audit Committee ensures that the Trust's operations and activities are underpinned by sound internal financial control and risk management arrangements. The Trust has a formal internal audit function in partnership with the University of Brighton.

The Trust is concerned to maintain and develop the academies within the grant funding available and has therefore established a process of setting annual budgets and operating a system of budget monitoring and control. The Trust's Medium Term Financial Plan informs budgetary decision making.

The Trust's top risks during 2019/20 (as determined by an assessment of impact and likelihood) were:

- Covid 19
- Difficulties in recruiting and retaining high quality staff



- Failure to secure effective leadership and succession planning
- Poor / declining educational standards
- Serious safeguarding incident
- Lack of engagement with organisational culture
- Declining pupil recruitment
- External financial uncertainty
- ICT infrastructure failure / major data security breach
- Serious health and safety incident
- Poor compliance with statutory and policy requirements

A comprehensive range of control measures and additional mitigating actions are implemented to minimise the likelihood and impact of these risks. The Trust's risk register is monitored regularly by the Board of Trustees and its Risk and Audit Committee.

### ***Impact of Covid 19***

The paragraphs below provide a response to the issues highlighted by the Charities SORP Committee on the implications arising from the measures put in place to contain the impact of the Covid 19 virus.

#### ***How the virus control measures affected the Trust's activities***

As indicated in the 'Achievements and performance' section above, in common with all other schools and multi academy trusts, Covid 19 significantly affected the Trust's activities during 2019/20. From March, the vast majority of the Trust's 7,700 pupils were supported remotely with only the children of keyworkers and vulnerable children (approx. 240 pupils) attending the Trust's academies. This involved a rapid roll out of technology in a short period of time, and the development of new communications mechanisms between all stakeholders. New safeguarding arrangements were developing and implemented to ensure that pupils who were not regularly attending academies during the lockdown period were safe, with support provided to vulnerable families (including food, hygiene packs and welfare support). The wider opening of schools from June saw major changes to the day to day operations of academies in the Trust in order to maximise the safety of all pupils and staff, including changes to the school day/timetable, movement around academies, physical environment and staffing plans.

#### ***Any financial uncertainties regarding the academy trust's financial sustainability and consideration of going concern and the steps being taken to address these uncertainties***

The Trust is in a fortunate position that it does not have any going concern issues; in particular, the level of reserves in the Trust means that it has a resilient position and well placed to address the uncertainties created by Covid 19. The Trust's financial sustainability would only be affected if there were any future major changes to the funding of the sector by the Government.

In the short term, there are some financial uncertainties that are being managed; these include

- The ways in which the National Tutoring Programme is being funded (it is anticipated that there will be increasing clarity about the programme as the 2020/21 year progresses)
- Staff absence and cover requirements caused by Covid 19: illness, self isolation or dependent care (the Trust's staff absence insurance mitigates to some extent costs created by staff absence)
- Contract terms which could require the Trust to cover exceptional costs encountered by suppliers (eg catering)
- Impact on rental income from lettings: between March – August, rental income reduced by £77k for the year, to £152k (compared to a typical total annual income of £233k). It is anticipated that larger rental agreements will be reinstated in due course (and good communications are in place in order to ensure relationships continue). Some small organisations may not return; however, as a proportion of total income, this does not present a major risk to the Trust.

In the longer term, Covid 19 may create other uncertainties; for example, an increase in the number of pupils being home educated may impact on the number of pupils in the Trust's academies.

*How the contribution of volunteers, where appropriate, assisted the academy trust in its work in managing in the changed circumstances*

The Trust's governance volunteers (trustees and local board members) have assisted greatly through strategic leadership and support through the Covid 19 pandemic. In particular, their role in the review and approval of wider opening risk assessments has been invaluable.

*The impact on the academy trust's ability to fundraise and how the trustees managed this situation*

The Trust is engaged in limited fundraising activity, and fundraising activities tend to be focused on specific projects (eg playground or ICT equipment) as opposed to a regular financial contributions to school fund accounts. Consequently the risk presented by Covid 19 on fundraising is low.

*How the outbreak of the virus has affected staff, volunteers and beneficiaries (such as the academy trust's pupils) and the implications for the academy trust's operations and activities for the coming year*

There have been two major impacts of the virus on staff, volunteers and pupils:

- The use of technology to support learning, working practices and communications: the Trust had already commenced a major cross-Trust implementation of Office 365 technology and therefore much of the infrastructure was in place to facilitate rapid roll out in March. The ICT department has also provided comprehensive training and support to all stakeholders: this is continuing into 2020/21 in support of ongoing remote learning expectations.
- The impact on mental health and wellbeing: each academy has developed a 'recovery curriculum' in order to ensure that pupils are well supported to return to learning when academies full opened in September. Ongoing wellbeing support has been provided to staff through a range of initiatives – these are continuing into 2020/21.

*How the financial and operational effects of the virus and the control measures relating to the virus affected the principal risks and uncertainties facing the academy trust during the reporting period*

- Whilst the Trust is not able to precisely identify 'cause and effect', the virus has impacted (either directly or indirectly) on the Trust's principal risks in the following ways:
- In relation to the *recruitment and retention* of staff and leaders:
  - Turnover of staff during the latter part of 2019/20 appeared to reduce
  - Early signs indicate that more individuals are interested in pursuing a teaching career which may assist with the recruitment of trainee and new teachers during 2020/21 (the popularity of teaching as a career does tend to correspond with economic downturns)
  - Recruitment to teaching leadership positions appears to be more challenging than normal: individuals may be more reluctant to leave stable roles to pursue career opportunities in new organisations at present
  - The popularity of professional service vacancies has appeared to increase as other commercial sectors are making staff redundant; however, skills and experiences of applicants do not always correspond with the requirements of professional service posts in the Trust
- Covid has necessitated further strengthening of *safeguarding* procedures to ensure that those pupils who were not physically present in academies were closely monitored and supported.
- The virus appears to have positively impacted on the *organisational culture* within the Trust, underpinned by improved communications, mutual support and more collaborative working between academies and departments.
- Increased reliance on technology to support learning, working practices and communications does make the Trust more susceptible to *technology infrastructure* failure. This is being mitigated through the move to a single broadband provider which ensures that all academies have an appropriate bandwidth.
- From a *health and safety* perspective, with few staff and pupils physically present in academies between March – September, there have inevitably been fewer minor accidents (slips, trips, and falls). However, the wider opening of academies has had significant impact on health and safety arrangements which have been comprehensively documented in wider opening plans and risk assessments
- The fast changing pace of government requirements and advice during Covid 19 has raised awareness of the need to regularly check and review external guidance, supported by

strengthened communications from the Department for Education and local authorities. Communication channels within the Trust have also improved during the pandemic, with closer working between academies and professional services departments, which has further strengthened *compliance* with policy requirements.

*Implications for any existing or potential defined benefit pension liability and investments the academy trust holds*

The Trust does not currently hold any investments. In relation to pensions, to date there have been no notification of changes or risks from pension providers; however, the Trust is aware that there may be an impact on future pension valuations. All multi academy trusts are likely to be exposed to the same level of risk regarding pensions.

*Consider any impact on the academy trust's reserves policy, level of reserves and any change to funds set aside for future commitments*

Whilst the Trust had to utilise some of its reserves to manage the initial impact of Covid (eg through the purchase of free school meal vouchers for families prior to the implementation of the national system), it is anticipated that these reserve funds will be returned through the government's Covid grant. The Trust does not see any need to amend its reserves targets at the present time.

*Consider the likely impact of the virus control measures and potential duration of the control measures on the future aims and activities of the academy trust*

*The impact of the virus-related control measures on any wider network of which the academy trust is a part and how this affects the academy trust's operations*

It is anticipated that the ongoing operational impact of Covid is likely to inhibit some of the planned actions in the Trust's Strategic Plan in 2020/21. The Trustees intend to take a flexible approach and keep priorities under review in the rapidly changing context. Educationally, there has been significant impact on curriculum planning and approaches to teaching and learning, some of which may mark permanent shifts in practice. Whilst pupils have demonstrated great resilience following the full opening of schools in September, inevitably there are gaps in learning, particularly for those from more disadvantaged backgrounds, which must be addressed.

**Fundraising**

Fundraising activity, for example funds raised by Parent Teacher Associations (or similar) or applications for small grants are currently managed locally within academies in the Trust. These funds are used for specific purposes and projects, such as ICT equipment, play equipment, the creation of a forest school area etc. The Trust is considering the development of a more coordinated approach in the future.

**Streamlined Energy and Carbon Reporting**

<b>UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020</b>	
Energy consumption used to calculate emissions (kWh)	6,210,185
Energy consumption break down (kWh) (optional) <ul style="list-style-type: none"> <li>gas,</li> <li>electricity,</li> <li>transport fuel</li> </ul>	3,763,702 2,241,510 204,973
<i>Scope 1 emissions in metric tonnes CO<sub>2</sub>e</i> Gas consumption Owned transport – mini-buses Total scope 1	692.03 6.01 698.04
<i>Scope 2 emissions in metric tonnes CO<sub>2</sub>e</i>	

Purchased electricity	522.59
<i>Scope 3 emissions in metric tonnes CO2e</i> Business travel in employee owned vehicles	43.74
<b>Total gross emissions in metric tonnes CO2e</b>	<b>1,264.37</b>
<i>Intensity ratio</i> Tonnes CO2e per pupil	0.16
<p><b>Quantification and Reporting Methodology:-</b> We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.</p> <p><b>Intensity measurement</b> The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.</p> <p><b>Measures taken to improve energy efficiency</b> We have installed smart meters across all sites and increased video conferencing technology for staff meetings, to reduce the need for travel between sites.</p>	

#### Plans for Future Periods

The aforementioned Strategic Plan sets out the Trust's key objectives and priorities for the period 2018-2023, supported by the Trust's Medium Term Financial Plan and Recruitment and Retention Strategy. The key objectives to be achieved by 2023 are:

Priority	Overarching objective
School improvement	To achieve appropriately and sustainably resourced school improvement targets, so that all pupils' outcome continually improve.
Strategic development	To build the Trust's reputation within our academies' communities and beyond as a collaborative and innovative values-led provider of exceptional curricula for all pupils
Staffing	To establish the Trust as the employer of choice for existing and potential new employees at all stages of their careers.
Resources	To secure increased investment in school improvement through setting and achieving enhanced financial efficiency targets and pursuing opportunities for income maximisation.
Governance and accountability	To set and achieve outstanding standards of governance, accountability and integrity corporately and individually throughout the organisation.

#### Auditor


Insofar as the Trustees are aware:

- There is no relevant audit information of which the Trust's auditor is unaware; and
- The Trustees 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.

On 7 September 2020 Group Audit Services Limited trading as Wilkins Kennedy Audit Services changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name

A resolution proposing that Azets Audit Services be reappointed as auditor of the charitable company will be put to the members.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees as the Company Directors on 08<sup>th</sup> December 2020 and signed on the Board's behalf by:



.....  
Professor C Pole  
Trustee

# Governance Statement

## Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that the University of Brighton Academies 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 Chief Executive, as Accounting Officer, for ensuring financial controls conform to 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 the University of Brighton Academies Trust and the Secretary of State for Education. The Chief Executive is 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 six times during the 2019/20 year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Professor Pole (Chair)	6	6
Arthur Copple (until 20 May 2020)	4	5
Siobhan Denning	5	6
Lorraine Harrison	6	6
Liz Gray	6	6
Chris Kirkness (until 10 December 2019)	2	2
Chris McFadden (from 8 July 2020)	1	1
Jeremy Nurse (from 8 July 2020)	1	1
Dr John Smith (Chief Executive and Accounting Officer)	6	6
Miles Smith (from 8 July 2020)	1	1
Janey Walker	6	6
Paul Whiteing (from 8 July 2020)	1	1
Andrew Wilson	3	6

Effective oversight of the Trust was maintained through the meetings of the Board of Trustees and is comprehensive committee structure. The Trust's four specialist reporting committees Education & Standards, Finance & Resources, Remuneration & HR and Risk & Audit each met at least two times. The Chairs Forum and academy Local Boards also met at least three times during the year.

A major review of the Trust's governance structure was undertaken in 2016/17, and its implementation and effectiveness monitored on an ongoing basis. The constitution of the Board of Trustees was increased to 11 trustees during the year, and minor adjustments have been made to terms of reference of committees. The Trust's Scheme of Delegation is reviewed and updated on an annual basis.

The Education and Standards Committee is responsible for monitoring the Trust's School Improvement strategy and the educational performance and standards achieved by each academy in the trust. It approves and monitors annual targets for each academy. It also oversees attendance, behaviour and safeguarding across the trust. Attendance during the year at meetings of the Education and Standards Committee was as follows:

Committee member	Meetings attended	Out of a possible
Lorraine Harrison (Trustee member) [Chair]	3	3
Siobhan Denning (Trustee member)	2	3

Dr John Smith (Trustee member)	3	3
Rose Durban (Co-opted member)	3	3

The Finance and Resources Committee is responsible for monitoring the Trust's financial strategy and the financial performance of the trust and its academies. It recommends approval of annual budgets and monitors them, along with major capital and asset planning and expenditure. The committee is also responsible for monitoring the Trust's Estates and ICT strategies. It is through this committee that the Board is able to maintain effective oversight of funds. Attendance during the year at meetings of the Finance and Resources Committee was as follows:

Committee member	Meetings attended	Out of a possible
Arthur Copple (Trustee member) [ex-Chair]	2	2
Liz Gray (Trustee member)	2	2
Dr John Smith (Trustee member)	2	2
Jane Davey (Co-opted member) (from 2 December 2019)	2	2
Mike Nichols (Co-opted member) (until 11 May 2020)	2	2

The Risk and Audit Committee is responsible for ensuring that the operation of the Trust is underpinned by sound financial controls and risk management procedures. It appoints and oversees the work of the trust's external auditors and internal audit function. It also monitors Health and Safety across the Trust. Attendance during the year at meetings of the Risk and Audit Committee was as follows:

Committee member	Meetings attended	Out of a possible
Christopher Kirkness (Trustee member) [ex-Chair] (until 10 December 2019)	1	1
Lorraine Harrison (Trustee member)	3	3
Andrew Wilson (Trustee member) (Chair)	2	3
James Bradley (Co-opted member)	3	3

The Remuneration and HR Committee is responsible for monitoring the Trust's human resources and recruitment strategy and associated HR policies. It appoints senior staff in the Trust and monitors senior staff pay and appraisal. Attendance during the year at meetings of the Remuneration and HR Committee was as follows:

Committee member	Meetings attended	Out of a possible
Liz Gray (Trustee member) [Chair]	3	3
Christopher Kirkness (Trustee member) (until 10 December 2019)	1	1
Andrew Wilson (Trustee member)	2	3
Sharon Sorrell (Co-opted member)	1	3

## Review of Value for Money

As Accounting Officer the Chief Executive has responsibility for ensuring that the 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 taxpayer resources received.

The Accounting Officer considers how the Trust's use of resources has provided good value for money during each academic year; and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Trust has delivered improved value for money during the year by:

- Improving central procurement processes, supported by a procurement specialist
- Undertaking major procurement and tendering exercises (utilising government frameworks) in support of a new HR and Payroll System (which will improve quality, save costs and save staff

costs), planned, preventative maintenance, including electrics (which will improve quality and save costs) and Catering (which will improve quality)

- Centralising budgets for ICT and estates/capital-related expenditure, in order to maximise efficiencies and savings through co-ordinated procurement of major items
- Continuing a major change management project to improve the efficiency and effectiveness of the Trust's professional service functions

### **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 risks to the achievement of 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 Trust for the year to 31 August 2020 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 Trust 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 on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ending 31 August 2020 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 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 Trustees
- Regular reviews by the Finance and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- Setting targets to measure financial and other performance
- Clearly defined purchasing guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks

The Board of Trustees has established a specific internal audit function in partnership with the University of Brighton. The internal audit activity includes a range of checks on the Trust's systems. The internal audit programme for 2019/20 was agreed by the Risk and Audit Committee and focused on (i) Lettings income, (ii) Capital projects and maintenance, (iii) GDPR compliance, (iv) Month end processes, (v) Budget management and (vi) Covid 19 Safeguarding arrangements. The internal auditor has delivered their schedule of work as planned and confirmed in their annual report to the Board that four audits resulted in a reasonable level of assurance and two had a limited level of assurance (with recommendations that are being addressed). The outcomes of internal audits are reported to the Board of Trustees through the Risk and Audit Committee.



## Review of Effectiveness

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

- The work of the internal auditor
- The work of the external auditor
- The work of the executive managers within the 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 Risk and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 08<sup>th</sup> December 2020 and signed on its behalf by:



.....  
Professor C Pole  
Trustee



.....  
Dr J Smith  
Accounting Officer

## Statement on Regularity, Propriety and Compliance

As Accounting Officer of the University of Brighton Academies Trust I have considered my responsibility to notify the Board of Trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the University of Brighton Academies 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.

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

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 ESFA.



Dr J Smith  
Accounting Officer  
Date 08-12-2020

## Statement of Trustees' Responsibilities

The Trustees (who act as trustees for the University of Brighton Academies Trust and are also the directors of the University of Brighton Academies Trust 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 and Skills 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 Trust 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 in the Charities SORP and the Academies Accounts Direction 2019 to 2020;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 transactions and disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust 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 Trust applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/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 Board of Trustees on 08<sup>th</sup> December 2020 and signed on its behalf by:



.....  
Professor C Pole  
Trustee

# Independent Auditor's Report to the Members of University of Brighton Academies Trust

## Opinion

We have audited the accounts of University of Brighton Academies Trust for the year ended 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 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 2020 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 2019 and the Academies Accounts Direction 2019 to 2020.

## 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 trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees 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 trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. 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.

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

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has 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 trustees' 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees 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 trustees 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 trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

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.

## **Use of our 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 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Azets Audit Services Limited*

.....  
Michelle Wilkes FCA

**for and on behalf of Azets Audit Services**

**Statutory Auditor**  
Greytown House  
221-227 High Street  
Orpington  
Kent  
BR6 0NZ

19 January 2021

# Independent Reporting Accountant's Assurance Report on Regularity to University of Brighton Academies Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 15 June 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by University of Brighton Academies Trust during the period 1 September 2019 to 31 August 2020 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 University of Brighton Academies Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the University of Brighton Academies Trust 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 University of Brighton Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

## **Respective responsibilities of University of Brighton Academies Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of University of Brighton Academies Trust's funding agreement with the Secretary of State for Education dated 20 March 2015 and the Academies Financial Handbook, extant from 1 September 2017, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports

the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

### **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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

### **Reporting Accountant**

Azets Audit Services  
Greytown House  
221-227 High Street  
Orpington  
Kent  
BR6 0NZ

*Azets Audit Services Limited*

Dated: 19 January 2021 .....



# Statement of Financial Activities for the year ended 31 August 2020

## Including Income and Expenditure Account

		Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	<b>Total 2020 £000</b>	<b>Total 2019 £000</b>
<b>Income and endowments from:</b>	<b>Note</b>					
Donations and capital grants	3	106	-	1,168	<b>1,274</b>	1,560
Charitable activities:						
Funding for the academy trust's educational operations	4	-	41,861	-	<b>41,861</b>	38,934
Teaching Schools	4,5,28	-	211	-	<b>211</b>	186
Other trading activities	5	1,368	-	-	<b>1,368</b>	2,059
Investments	6	29	-	-	<b>29</b>	30
<b>Total</b>		<b>1,503</b>	<b>42,073</b>	<b>1,168</b>	<b>44,744</b>	<b>42,769</b>
<b>Expenditure on:</b>						
Charitable activities:						
Academy trust educational operations	7	780	45,786	2,374	<b>48,941</b>	44,725
Teaching Schools	7,28	-	201	-	<b>201</b>	214
<b>Total</b>		<b>780</b>	<b>45,988</b>	<b>2,374</b>	<b>49,142</b>	<b>44,939</b>
<b>Net income / (expenditure)</b>		<b>723</b>	<b>(3,915)</b>	<b>(1,206)</b>	<b>(4,398)</b>	<b>(2,170)</b>
<b>Transfers between funds</b>	18	<b>(1,060)</b>	<b>1,060</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains / (losses):</b>						
Actuarial (losses) / gains on defined benefit pension schemes	18,26	-	(3,314)	-	<b>(3,314)</b>	(5,114)
<b>Net movement in funds</b>		<b>(337)</b>	<b>(6,169)</b>	<b>(1,206)</b>	<b>(7,712)</b>	<b>(7,284)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		<b>2,735</b>	<b>(11,718)</b>	<b>101,014</b>	<b>92,031</b>	<b>99,315</b>
<b>Total funds carried forward</b>		<b>2,398</b>	<b>(17,887)</b>	<b>99,808</b>	<b>84,319</b>	<b>92,031</b>

# Statement of Financial Activities for the year ended 31 August 2020

## Including Income and Expenditure Account

### Comparative year information - Year Ended 31 August 2018

		Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2019 £000
<b>Income and endowments from:</b>	<b>Note</b>				
Donations and capital grants	3	235	-	1,325	1,560
Transfer of existing academies into the Trust		-	-	-	-
Charitable activities:					
Funding for the academy trust's educational operations	4	-	38,934	-	38,934
Teaching Schools	4,5,28	-	186	-	186
Other trading activities	5	2,059	-	-	2,059
Investments	6	30	-	-	30
<b>Total</b>		<b>2,324</b>	<b>39,120</b>	<b>1,325</b>	<b>42,769</b>
<b>Expenditure on:</b>					
Charitable activities:					
Academy trust educational operations	7	2,131	41,876	718	44,725
Teaching Schools	7,28	-	214	-	214
<b>Total</b>		<b>2,131</b>	<b>42,090</b>	<b>718</b>	<b>44,939</b>
<b>Net income / (expenditure)</b>		<b>193</b>	<b>(2,970)</b>	<b>607</b>	<b>(2,170)</b>
<b>Transfers between funds</b>	18	(631)	1,222	(591)	-
<b>Other recognised gains / (losses):</b>					
Actuarial (losses) / gains on defined benefit pension schemes	18,26	-	(5,114)	-	(5,114)
<b>Net movement in funds</b>		<b>(438)</b>	<b>(6,861)</b>	<b>16</b>	<b>(7,284)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		3,173	(4,856)	100,998	99,315
<b>Total funds carried forward</b>		<b>2,735</b>	<b>(11,718)</b>	<b>101,014</b>	<b>92,031</b>

# Balance sheet as at 31 August 2020

Company Number 07185046

	Notes	2020 £000	2020 £000	2019 £000	2019 £000
<b>Fixed assets</b>					
Tangible assets	13		98,162		98,878
<b>Current assets</b>					
Stock			-		-
Debtors	15	1,374		1,260	
Cash at bank and in hand	24	6,894		8,505	
		<u>8,268</u>		<u>9,765</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	16	(4,225)		(4,894)	
<b>Net current assets</b>			<u>4,043</u>		<u>4,871</u>
<b>Total assets less current liabilities</b>			102,206		103,749
Creditors: Amounts falling due after more than one year			-		-
<b>Net assets excluding pension liability</b>			<u>102,206</u>		<u>103,749</u>
Defined benefit pension scheme liability	26	(17,887)		(11,718)	
<b>Total net assets</b>			<u>84,319</u>		<u>92,031</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
. Fixed asset fund	18	99,808		101,014	
. Restricted General fund	18	0			
. Pension reserve	18	(17,887)		(11,718)	
<b>Total restricted funds</b>			81,921		89,296
<b>Unrestricted income funds</b>	18		<u>2,397</u>		<u>2,735</u>
<b>Total funds</b>			<u>84,319</u>		<u>92,031</u>

The financial statements on pages 33-56 were approved by the trustees, and authorised for issue on 08<sup>th</sup> December 2020 and are signed on their behalf by:



.....  
**Professor Christopher Pole**  
Chair



.....  
**Dr John Smith**  
Chief Executive and Accounting  
Officer

## Statement of Cash Flows for the year ended 31 August 2020

	Notes	<b>2020</b> <b>£000</b>	2019 £000
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	21	(2,631)	607
<b>Cash flows from investing activities</b>	23	1,139	1,355
<b>Cash flows from financing activities</b>	22	(119)	-
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(1,611)</b>	<b>1,962</b>
<b>Cash and cash equivalents at 1 September 2019</b>		<b>8,505</b>	<b>6,543</b>
<b>Cash and cash equivalents at the 31 August 2020</b>	24	<b>6,894</b>	<b>8,505</b>

## Notes to the accounts for the year ended 31 August 2020

### 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.

#### Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

University of Brighton Academies Trust meets the definition of a public benefit entity under FRS 102.

#### 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 charitable company 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.

#### 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.

# University of Brighton Academies Trust

## Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions) where the receipt is probable and it can be measured reliably.

## 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.

## Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

## Donated fixed assets

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

## **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges 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.

# University of Brighton Academies Trust

## Governance costs

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

## **Tangible fixed assets and depreciation**

Assets costing £5,000 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	125 years, land is not depreciated
Computer equipment	3-10 years
Fixtures, fittings & equipment	5 years

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.

## **Liabilities**

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

## **Leasing commitments**

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

## **Financial instruments**

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

## Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

# University of Brighton Academies Trust

## 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.

## **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.

## **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.

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 19, 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.

## **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 trustees.

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.



# University of Brighton Academies Trust

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

## 2. Critical accounting estimates and areas of judgement

Accounting 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 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 2017 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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

#### Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property plant and equipment, and note 1.5 for the useful economic lives for each class of assets.

### Bad debts

Debtors are regularly reviewed for recoverability, any debts which in the opinion of management are not recoverable are provided for as a specific bad debt.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## 3 Donations and capital grants

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£000	£000	£000	£000
Capital Grants	-	1,168	1,168	1,325
Donations	106	-	106	235
	<u>106</u>	<u>1,168</u>	<u>1,274</u>	<u>1,560</u>

## 4 Funding for the Academy Trust's Educational Operations

# University of Brighton Academies Trust

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
<b>DfE / ESFA grants</b>				
. General Annual Grant (GAG)	-	33,716	33,716	32,595
. Start Up Grants	-	-	-	27
. Teaching School grants	-	118	118	157
. Other DfE/ESFA grants	-	5,182	5,182	4,199
	-	39,017	39,017	36,978
<b>Other Government grants</b>				
Local authority grants	-	2,777	2,777	2,094
Other income from the academy trust's educational operations	-	0	0	19
	-	2,777	2,777	2,113
<b>Exceptional Government grants</b>				
Coronavirus exceptional support	-	185	185	-
	-	185	185	-
	-	41,979	41,979	39,091

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The funding received for coronavirus exceptional support covers £23k of cleaning costs and £162k of free school meal costs. These costs are included in notes 7 and 9 as appropriate.

## 5 Other Trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Hire of facilities	152	-	152	233
Nursery	153	-	153	253
Catering income	121	-	121	230
Teaching School	-	93	93	29
School to School Support	33	-	33	27
School Trips	191	-	191	390
Before/After school clubs	175	-	175	267
Insurance	221	-	221	253
Student/teacher placement	42	-	42	55
Other income	280	-	280	351
	1,368	93	1,462	2,088

# University of Brighton Academies Trust

## 6 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Short term deposits	29	-	29	30
	29	-	29	30

## 7 Expenditure

	Staff Costs £000	Non Pay Expenditure		Total 2020 £000	Total 2019 £000
		Premises £000	Other £000		
Academy's educational operations:					
. Direct costs	27,492	686	2,946	31,125	29,669
. Allocated support costs	10,095	3,879	3,842	17,816	15,056
Teaching Schools					
. Direct costs	103	-	67	170	183
. Allocated support costs	22	-	9	31	31
	37,712	4,565	6,865	49,142	44,939

Net income/(expenditure) for the period includes:

	2020 £000	2019 £000
Operating lease rentals	110	97
Depreciation	716	718
Fees payable to auditor for:		
- audit	43	42
- other services	-	2
Net interest on defined benefit pension liability	245	155

## 8 Charitable Activities

	Total 2020 £000	Total 2019 £000
Direct costs – educational operations	31,125	29,669
Direct costs – teaching schools	170	183
Support costs – educational operations	17,816	15,056
Support costs – teaching schools	31	31
	49,142	44,939

# University of Brighton Academies Trust

Analysis of costs	Teaching Schools £000	Educational operations £000	Total 2020 £000	Total 2019 £000
<b>Direct Costs</b>				
Teaching and educational support staff costs	103	27,492	27,595	26,032
Staff development	13	201	215	255
Depreciation	-	686	686	679
Educational supplies and services	27	1,743	1,770	1,723
Examination fees	-	255	255	271
Educational consultancy	26	352	378	391
Other costs	0	395	395	501
<b>Total direct costs</b>	<b>170</b>	<b>31,125</b>	<b>31,295</b>	<b>29,852</b>
<b>Support costs</b>				
Support staff costs	22	10,095	10,117	8,666
Technology costs	-	1,337	1,337	852
Recruitment and support	1	181	183	181
Maintenance of premises and equipment	-	2,219	2,219	1,632
Depreciation	-	30	30	39
Cleaning	-	390	390	338
Energy costs	-	562	562	583
Rent and rates	-	258	258	265
Insurance	-	420	420	413
Security and transport	0	118	118	155
Catering	1	1,239	1,240	1,176
Finance costs	-	246	246	161
Governance costs	0	276	276	157
Other support costs	5	445	451	469
<b>Total support costs</b>	<b>31</b>	<b>17,816</b>	<b>17,847</b>	<b>15,087</b>

## 9 Staff

### a. Staff costs

Staff costs during the period were:

	Total 2020 £000	Total 2019 £000
Wages and salaries	25,964	24,853
Social security costs	2,369	2,257
Pension costs	8,266	5,900
	<b>36,599</b>	<b>33,010</b>
Supply staff costs	1,019	1,396
Key management staff	69	152
Staff restructuring costs	25	140
	<b>37,712</b>	<b>34,698</b>

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Staff restructuring costs comprise:

Redundancy payments	7	78
Severance payments	18	62
Other restructuring costs	-	-
	<b>25</b>	<b>140</b>

## b. Non statutory/non contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual payments totalling £25.4k (2019: £96.4k). Individually, the payments were: £2.2k, £2.3k, £2.5k, £2.6k and £15.8k

## c. Staff numbers

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

	2020	2019
	No.	No.
Teachers	431	429
Administration and support	702	699
Management	26	20
	<b>1,158</b>	<b>1,148</b>

## d Higher paid staff

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

	2020	2019
	No.	No.
£60,001 - £70,000	13	11
£70,001 - £80,000	4	7
£80,001 - £90,000	5	1
£90,001 - £100,000	4	3
	<b>26</b>	<b>22</b>

## e Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 4. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £390k (2019: £343k).

The table above does not include the salary of the CEO, as he is an employee of the University of Brighton (UoB). The University of Brighton Academies Trust reimburses UoB for the CEO's time (currently two days per week) at the Trust's rate for that role. Were the CEO's salary required to be disclosed in the above table, it would appear in the £65-£70k banding, of which he is in receipt of pension contributions in the banding of £10-£15k.

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## 10 Central Services

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

- Human Resources
- Financial Services
- Estates Management
- Information and Communication Technology
- Marketing and Communications
- Educational Support Services
- Leadership and Governance

As the trust pools its GAG income, there is no specific charge made to individual school budgets for the provision of those services. Instead, they are funded by a proportion of GAG which is retained centrally for this purpose.

## 11 Related Party Transactions – Trustees’ Remuneration and Expenses

Trustees did not receive any payments other than expenses from the academy trust in respect of their role as Trustees. During the year ended 31 August 2020 expenses totalling £80 (2019: £706) were reimbursed to 1 trustee (2019: 3 trustees).

## 12 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 £1,000,000 on any one claim. It is not possible to quantify the trustees’ and officers’ indemnity element from the overall cost of the RPA scheme.

## 13 Tangible Fixed Assets

	Land and Buildings	Furniture and Equipment	Computer Hardware	Total
	£000	£000	£000	£000
<b>Cost</b>				
At 1 September 2019	102,384	1,433	2,943	106,760
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 August 2020	102,384	1,433	2,943	106,760
<b>Depreciation</b>				
At 1 September 2019	3,548	1,420	2,914	7,882
Charged in year	686	3	27	716
At 31 August 2020	4,234	1,423	2,941	8,598
<b>Net book values</b>				
At 31 August 2019	98,836	12	30	98,878
At 31 August 2020	98,150	10	2	98,162

Land valued at £16,642k is included within land and buildings and is not depreciated.

# University of Brighton Academies Trust

## 15 Debtors

	2020	2019
	£000	£000
Trade debtors	99	196
VAT recoverable	436	441
Other debtors	617	473
Prepayments and accrued income	223	150
	<b>1,374</b>	<b>1,260</b>

## 16 Creditors: Amounts Falling due within one year

	2020	2019
	£000	£000
Trade creditors	615	838
Other taxation and social security	540	523
Other creditors	555	753
Accruals and deferred income	2,514	2,780
	<b>4,225</b>	<b>4,894</b>

Deferred income	2020	2019
	£000	£000
Deferred income at 1 September 2019	1,258	1,098
Released from previous years	(1,258)	(1,098)
Resources deferred in the year	1,149	1,258
Deferred Income at 31 August 2020	<b>1,149</b>	<b>1,258</b>

At the balance sheet date the academy trust was holding funds received in advance for UIFSM, School Condition Allocation, Growth Fund, High Needs Top Up Funding and Early Years Advance for the 2020/21 academic year.

Included within other creditors is a loan of £118k from ESFA which is provided as a cashflow advance in relation to the Burgess Hill Academy, and is repayable as a deduction against GAG in 2020/21.

## 17 Contingent Liability Disclosure

On the basis of legal advice provided to the Trust, the Trust is awaiting the outcome of the Harpur vs Brazel case (appeal hearing expected to be late in 2021) before taking any action relating to pay calculations for TTO employees. The outcome of this appeal, in favour of Brazel, is not yet deemed probable.

## 18 Funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	33,716	(34,776)	1,060	0
Pupil Premium	-	2,438	(2,438)	-	0
Other grants/income	-	5,918	(5,918)	-	0
Pension reserve	(11,718)	-	(2,855)	(3,314)	(17,887)
	<b>(11,718)</b>	<b>42,073</b>	<b>(45,988)</b>	<b>(2,254)</b>	<b>(17,887)</b>

# University of Brighton Academies Trust

## Restricted fixed asset funds

DfE/ESFA capital grants	2,136	1,168	(1,658)		1,646
General fixed assets	98,878	-	(716)	-	98,162
	<b>101,014</b>	<b>1,168</b>	<b>(2,374)</b>	<b>-</b>	<b>99,808</b>

<b>Total restricted funds</b>	<b>89,296</b>	<b>43,241</b>	<b>(48,362)</b>	<b>(2,254)</b>	<b>81,921</b>
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## Unrestricted funds

Unrestricted funds	2,735	1,503	(780)	(1,060)	2,397
<b>Total unrestricted funds</b>	<b>2,735</b>	<b>1,503</b>	<b>(780)</b>	<b>(1,060)</b>	<b>2,397</b>

<b>Total funds</b>	<b>92,031</b>	<b>44,744</b>	<b>(49,142)</b>	<b>(3,314)</b>	<b>84,319</b>
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The specific purposes for which the funds are to be applied are as follows:

### Restricted General Funds:

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Trust including education and support costs.

Other DfE / ESFA grants - includes grants from the ESFA / DfE in relation to rates relief, pupil premium, UIFSM, Year 7 catch up and teachers pay grant.

Other government grants- includes grants from LEA mainly for Early Years Education Entitlement (EYEE) for Nursery and High needs funding to fund further support for students with additional needs.

### Restricted Fixed Asset Funds:

DfE/ESFA capital grants - represent amounts received from the ESFA including Devolved formula capital (DFC) grant and MAT School Condition Allocation (SCA). DFC funding can be used for improvements and repairs to buildings and other facilities, including ICT or repairs, refurbishment and minor works in accordance with priorities set by the academies. SCA is specifically to ensure that our academy buildings are kept in good condition and that all children can learn in a safe and effective environment.

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	34,607	(35,358)	751	-
Start Up Grant	-	27	(27)	-	-
Pupil Premium	-	2,520	(2,520)	-	-
Other grants	-	1,966	(2,437)	471	-
Pension reserve	(4,856)	-	(1,748)	(5,114)	(11,718)
	<b>(4,856)</b>	<b>39,120</b>	<b>(42,090)</b>	<b>(3,892)</b>	<b>(11,718)</b>



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## Restricted fixed asset funds

DfE/EFA capital grants	1,439	1,325	-	(628)	2,136
General fixed assets	99,559	-	(718)	37	98,878
	<b>100,998</b>	<b>1,325</b>	<b>(718)</b>	<b>(591)</b>	<b>101,014</b>

<b>Total restricted funds</b>	<b>96,142</b>	<b>40,445</b>	<b>(42,808)</b>	<b>(4,483)</b>	<b>89,296</b>
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## Unrestricted funds

Unrestricted funds	3,173	2,324	(2,131)	(631)	2,735
<b>Total unrestricted funds</b>	<b>3,173</b>	<b>2,324</b>	<b>(2,131)</b>	<b>(631)</b>	<b>2,735</b>

<b>Total funds</b>	<b>99,315</b>	<b>42,769</b>	<b>(44,939)</b>	<b>(5,114)</b>	<b>92,031</b>
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## Analysis of academies by fund balance

Fund balances at 31 August 2020 were allocated as follows:

	<b>Total</b>	<b>Total</b>
	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Central services	<b>2,398</b>	<b>2,735</b>
Total before fixed assets and pension reserve	<b>2,398</b>	<b>2,735</b>
Restricted fixed asset fund	<b>99,808</b>	<b>101,014</b>
Restricted General fund	<b>0</b>	
Pension reserve	<b>(17,887)</b>	<b>(11,718)</b>
<b>Total</b>	<b>84,319</b>	<b>92,031</b>

From the 1st September 2018 the Trust has operated a policy of GAG pooling. As a consequence, there are no separately identifiable reserves at the academy level.

Central Services costs represent 21.1% of Trust total income, or 14.5% excluding depreciation and FRS102 adjustments.

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

	<b>Teaching &amp; Educ Support Staff Costs £000</b>	<b>Other Support Staff Costs £000</b>	<b>Educ Supplies £000</b>	<b>Other Costs (excluding Depn) £000</b>	<b>Total 2020 £000</b>	<b>Total 2019 £000</b>
Baird Primary Academy	1,591	267	129	235	<b>2,222</b>	2,102
Blackthorns Primary Academy	724	172	31	134	<b>1,061</b>	1,146
Churchwood Primary Academy	896	280	61	156	<b>1,392</b>	1,346
Desmond Anderson Primary Academy	1,643	428	44	208	<b>2,323</b>	2,109
Dudley Infant Academy	603	138	27	136	<b>904</b>	871
Hollington Primary Academy	1,423	349	104	225	<b>2,102</b>	2,002

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Holmbush Primary Academy	669	180	47	144	<b>1,040</b>	957
Lindfield Primary Academy	1,742	244	87	359	<b>2,432</b>	2,282
Pound Hill Infant Academy	814	221	45	211	<b>1,290</b>	1,326
Robsack Wood Primary Academy	1,608	774	89	258	<b>2,729</b>	2,756
Silverdale Primary Academy	2,082	333	104	356	<b>2,875</b>	2,691
West St Leonards Primary Academy	1,506	257	65	280	<b>2,107</b>	2,055
The Burgess Hill Academy	3,010	793	119	457	<b>4,379</b>	4,677
The Hastings Academy	3,569	935	229	848	<b>5,582</b>	5,217
The St Leonards Academy	5,544	1,090	603	1,137	<b>8,374</b>	8,178
Central services	176	3,896	79	3,460	<b>7,612</b>	4,506
	<b>27,601</b>	<b>10,356</b>	<b>1,863</b>	<b>8,606</b>	<b>48,426</b>	44,221

### 19 Analysis of Net Assets between Funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Tangible fixed assets	-	-	98,162	<b>98,162</b>
Current assets	2,397	4,224	1,646	<b>8,268</b>
Liabilities	-	(4,225)	-	<b>(4,225)</b>
Pension scheme liability	-	(17,887)	-	<b>(17,887)</b>
<b>Total net assets</b>	<b>2,397</b>	<b>(17,887)</b>	<b>99,808</b>	<b>84,319</b>

Comparative information in respect of the preceding period is as follows:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Tangible fixed assets	-	-	99,559	<b>99,559</b>
Current assets	3,173	3,723	1,439	<b>8,335</b>
Liabilities	-	(3,723)	-	<b>(3,723)</b>
Pension scheme liability	-	(4,856)	-	<b>(4,856)</b>
<b>Total net assets</b>	<b>3,173</b>	<b>(4,856)</b>	<b>100,998</b>	<b>99,315</b>

# University of Brighton Academies Trust

## 20 Commitments under operating leases

### Operating Leases

At 31 August 2020 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2020	2019
	£000	£000
Amounts due within one year	85	85
Amounts due between one and five years	51	121
Amounts due after five years	2	48
	<b>138</b>	<b>254</b>

## 21 Reconciliation of Net Income/(expenditure) to Net Cash Flow from Operating Activities

	2020	2019
	£000	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(4,398)	(2,170)
Adjusted for:		
Depreciation charges (note 13)	716	718
Fixed Asset additions (note 13)	-	(44)
Capital grants from DfE and other capital income	(1,168)	(1,325)
Interest receivable (note 5)	29	(30)
Defined benefit pension scheme cost less contributions payable (note 26)	2,610	1,601
Defined benefit pension scheme finance cost (note 26)	245	155
(Increase)/decrease in stocks	-	3
(Increase)/decrease in debtors	(114)	529
Increase/(decrease) in creditors	(550)	1,172
<b>Net cash provided by / (used in) Operating Activities</b>	<b>(2,631)</b>	<b>607</b>

## 22 Cash Flows from Financing Activities

	2020	2019
	£000	£000
Repayments of borrowing	(119)	-
Cash inflows from new borrowing	-	-
<b>Net cash provided by / (used in) financing activities</b>	<b>(119)</b>	<b>-</b>

## 23 Cash Flows from Investing Activities

	2020	2019
	£000	£000
Dividends, interest and rents from investments	(29)	30
Capital grants from DfE/EFA	1,168	1,325
<b>Net cash provided by / (used in) investing activities</b>	<b>1,139</b>	<b>1,355</b>

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<b>24 Analysis cash and cash equivalents</b>	<b>At 31</b>	<b>At 31</b>
	<b>Aug</b>	<b>Aug</b>
	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Cash in hand and at bank	2,346	3,978
Notice deposits (less than 3 months)	4,548	4,527
<b>Total cash and cash equivalents</b>	<b>6,894</b>	<b>8,505</b>

### 25 Members' Liability

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

### 26 Pension and Similar Obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the West Sussex County Council Pension Fund and the East Sussex County Council Pension Fund. Both are multi-employer defined benefit pension schemes. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £268k were payable to the schemes at 31 August 2020 (2019: £298k) and are included within creditors.

#### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently-in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £3,524k (2019: £2,348k).

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

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

## Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2020 was £2,682k (2019: £2,474k), of which employer's contributions totalled £2,095k (2018: £1,935k) and employees' contributions totalled £587k (2019: £539k). The agreed contribution rates for future years are between 19.5% and 24.7% 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 an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

<b>Total contributions made</b>	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Employer's contributions	2,095	1,935
Employees' contributions	587	539
<b>Total contributions</b>	<b>2,682</b>	<b>2,474</b>

<b>Principal Actuarial Assumptions</b>	<b>At 31 August 2020</b>	<b>At 31 August 2019</b>
Rate of increase in salaries	2.2% - 2.7%	2.7% - 3.0%
Rate of increase for pensions in payment/inflation	2.2%	2.3%
Discount rate for scheme liabilities	1.7%	1.8 - 1.9%
Inflation assumption (CPI)	2.2%	2.2%
Commutation of pensions to lump sums	50.0%	50.0%

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

	<b>At 31 August 2020</b>	<b>At 31 August 2019</b>
<i>Retiring today</i>		
Males	21.6 - 22.2	21.2 - 21.8
Females	23.9 - 24.2	23.5 - 23.6
<i>Retiring in 20 years</i>		
Males	22.5 - 23.3	22.1 - 23.0
Females	25.3 - 25.9	24.9 - 25.5

Scheme liabilities would have been affected by changes in assumptions as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Discount rate -0.5%	6,545	5,432
Salary rate + 0.5%	521	683
CPI rate +0.5%	5,921	4,649

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

	Fair value at 31 August 2020 £000	Fair value at 31 August 2019 £000
Equity instruments	19,072	16,119
Debt instruments	8,149	6,434
Property	2,705	2,260
Other Assets	1,107	875
<b>Total market value of assets</b>	<b>31,033</b>	<b>25,688</b>
Actual return on scheme assets	3,035	1,612

## Amounts recognised in the statement of financial activities

	2020 £000	2019 £000
Current service cost (net of employee contributions)	4,705	3,297
Past service cost	-	231
Interest income	(506)	(642)
Interest cost	751	797
Benefit changes, curtailments and settlements gains or losses	-	-
<b>Total operating charge</b>	<b>4,950</b>	<b>3,683</b>

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

	2020 £'000	2019 £'000
<b>At 1 September</b>	<b>37,406</b>	<b>26,653</b>
Transfer in	-	-
Current service cost	4,705	3,297
Interest cost	751	797
Employee contributions	587	539
Actuarial (gain)/loss	5,843	6,084
Benefits paid	(372)	(195)
Past service cost	-	231
<b>At 31 August</b>	<b>48,920</b>	<b>37,406</b>

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

	2020 £'000	2019 £'000
<b>At 1 September</b>	<b>25,688</b>	<b>21,797</b>
Upon conversion	-	-
Interest income	506	642
Actuarial gain/(loss)	2,529	970
Employer contributions	2,095	1,935
Employee contributions	587	539
Benefits paid	(372)	(195)
<b>At 31 August</b>	<b>31,033</b>	<b>25,688</b>

# University of Brighton Academies Trust

## 27 Related Party Transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

The University of Brighton is the sponsor of the Trust and provides managerial and administrative support to enable the Trust to achieve its objectives. A member of the Trust's Senior Management Team (Chief Executive) has a contract of employment with the University of Brighton, and the salary costs re-charged to the Trust were £69k (2019: £166k as additional members of SMT previously had contracts with the University).

### Analysis by category

	Income £000	Expenditure £000	Net £000
<b>Staff Costs</b>			
Staff salaries		75	75
Staff travel		1	1
	0	76	76
<b>Others</b>			
Sch Direct /Scholarship Fees /Mentorship	(45)	1	(44)
Internal Audit Services		34	34
Office Costs		3	3
	(45)	38	(7)
<b>Total</b>	<b>(45)</b>	<b>114</b>	<b>69</b>

Each of these are provided 'at cost' and offer considerable value for money for the Trust.

# University of Brighton Academies Trust

## 28 Teaching Schools Trading Account

	2020 £'000	2020 £'000	2019 £'000	2019 £'000
<b>Income</b>				
Grants	207		157	
Other income	5		29	
		211		186
<b>Expenditure</b>				
<b>Direct costs</b>				
Direct Staff Costs	103		119	
Educational Supplies and Services	26		28	
Staff development	13		35	
Other direct costs	29		1	
Total direct costs	(172)		(183)	
<b>Indirect costs</b>				
Support staff costs	22		25	
Technology costs	-		1	
Maintenance of premises and equipment	-		-	
Security and transport	0		1	
Other support costs	7		4	
Total indirect costs	(30)		(31)	
<b>Total expenditure</b>		(201)		(214)
<b>Surplus/(Deficit) from all sources</b>		10		(28)
Teaching school balances at 1 September 2019		26		54
Teaching school balances at 31 August 2020		36		26