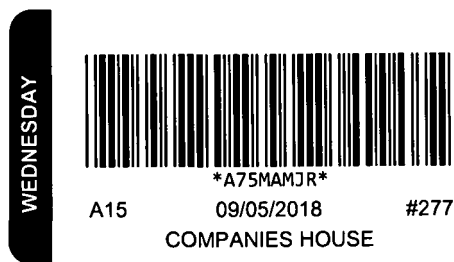


**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST AUGUST 2017
FOR
BROCKHAMPTON ACADEMY TRUST**



Worton Rock Limited
Chartered Accountants & Statutory Auditor
Churchfield House
36 Vicar Street
Dudley
West Midlands
DY2 8RG

BROCKHAMPTON ACADEMY TRUST
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FOR THE YEAR ENDED 31 AUGUST 2017

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BROCKHAMPTON ACADEMY TRUST
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

MEMBERS

TRUSTEES

S A Yates
J Hartwright
M D Mander
A McLaren
S Podmore (resigned 13/1/2017)
B A Omar
S C Dawson
B A P J Fox

SENIOR MANAGEMENT TEAM

M Mander - Headteacher
A McLaren - Deputy Head
A Jones - Assistant Head (until 31/8/2017)

INTERIM ACADEMY BOARD

S Yates - Chair
J Hartwright - Vice Chair
H Davies
S Jenkins (resigned 11 March 2017)
C Morgan
B Omar
M Mander

REGISTERED OFFICE

Brockhampton Primary School
Bringsty
Worcester
WR6 5TD

REGISTERED COMPANY NUMBER 07817746 (England and Wales)

AUDITORS

Worton Rock Limited
Chartered Accountants & Statutory Auditor
Churchfield House
36 Vicar Street
Dudley
West Midlands
DY2 8RG

BANKERS

Lloyds Bank PLC
9 Corn Square
Leominster
Herefordshire
HR6 8LT

BROCKHAMPTON ACADEMY TRUST
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

SOLICITORS

Schofield Sweeney
Springfield House
76 Wellington Street
Leeds
LS1 2AY

BROCKHAMPTON ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2017. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The trust operates an academy for pupils aged 4 to 11. It has a pupil capacity of 160 and had a roll call of 148 in the school census in July 2017.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal activity of the Charitable Company is the operation of the Brockhampton Academy Trust to provide education for pupils of different abilities up to the age of 11.

The principal objectives of the Academy are:

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- To raise the standard of educational achievement of all pupils
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- To comply with the appropriate statutory and curriculum requirements
- To make the Academy a valued community resource
- To close the achievement gap for disadvantaged pupils
- To ensure all pupils are well prepared for the next phase of education academically, socially and emotionally.

Public benefit

In setting our objectives the trustees have given careful consideration to the Charity Commission's guidance on public benefit.

The primary purpose of the Academy is the advancement of education within the local area.

The Academy operates an onsite pre-school for children aged 2-5. The Academy also operates a Breakfast Club which offers a safe place for pupils while parents are working.

The Academy has given a high priority to providing public benefit to a cross section of the community regardless of family background, but perhaps the greatest benefit the Academy can offer is the provision of an education that maximises each student's potential.

BROCKHAMPTON ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017

ACHIEVEMENT AND PERFORMANCE

Key academic & financial performance indicators

The Interim Academy Board (IAB) review regular assessments of the performance of the Academy. The IAB review exam results as a key performance of the Academy's continuing success, but they also review the improvements of each year group and individuals to ensure that the Academy's teaching activities are effective and there is continuing improvement at all levels.

Achievement Data 2016/17

Early Years Foundation Stage

		2015	2016	2017
% achieving GLD				
School	68		67	92.3
National	71		69	

Year One Phonic Screening Check

		2015	2016	2017
% meeting threshold				
School	74		88	89.2
National	77		81	

End of Key Stage One Teacher Assessments (Year Two)

		2015			2016		2017
		%L2b+	%L3	%EXS	%GDS	%EXS	%GDS
Reading	School	92	46	70	20	82.3	47
	National	82	32	74	24		
Writing	School	73	15	70	20	76.4	35.2
	National	72	18	65	13		
Maths	School	88	12	70	25	82.3	29.4
	National	82	26	73	18		

End of Key Stage Two SATS (Year Six)

		2015		2016		2017	
		%L4b+	%L5	%EXS	%GDS	%EXS	%GDS
Reading	School	80	35	90	40	92	20
	National	80	48	66	19	71	24
Writing	School	70	35	80	10	80	24
	National	87	36	74	15	76	18
Maths	School	70	35	100	45	84	28
	National	77	41	74	17	75	22
EGPS	School	45	30	100	40	84	28
	National	73	55	72	22	77	31

Pupil attendance

Senior Leaders of the Academy are responsible for promoting good levels of attendance and ensuring interventions are put in place for persistent absentees and lateness. The IAB are responsible for monitoring levels of attendance and holding senior leaders to account for their monitoring of attendance levels and subsequent actions.

Brockhampton Academy Trust was subject to OFSTED inspection in July 2017 and the school successfully achieved a Good rating.

BROCKHAMPTON ACADEMY TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2017

FINANCIAL REVIEW

Financial review

Spending has been focused around driving improvements in the teaching and learning for the children. This includes:

- Purchase, training and implementation of the Read, Write, Inc scheme
- Training and implementation of the Thrive programme
- Training for staff to develop their knowledge and understanding of Teaching and Learning
- Resources for reading and maths
- Training to develop the whole school approach to writing
- Resources to improve the classroom environments
- Refurbishment of intervention rooms and children's work areas
- Secondment of a non-class based teacher to support staff in lesson planning, delivery and assessment
- Training for development of middle leaders within the school
- Resources for outdoor learning provision

The school is actively searching/applying for grants to further enhance the learning environment.

The IAB are committed to reinvesting back into the School, its facilities and resources. The School operates a Pre School and a Breakfast Club, the surpluses of which are reinvested back into School.

During the year ended 31 August 2017, the deficit of income over expenditure for the year (before recognised gains and losses and excluding capital restricted funds) equated to £54,594 (2016 deficit - £42,543).

Investment policy and objectives

The Academy's policy is to invest surplus funds in low risk short term bank deposits.

Reserves policy

The policy of the trustees is to maintain a level of reserves that will be adequate to provide a stable basis for the continuing operation of the Academy whilst ensuring that excessive funds are not accumulated.

Excluding the pension scheme liability and capital funds, the Academy funds surplus at 31 August 2017 was £74,549 (2016 - £97,143).

The Academy also has a pension scheme deficit in respect of the Local Government Pension Scheme of £216,000 (2016 - £295,000). The liability is included in restricted reserves and the Academy will have to meet any long term liability out of restricted reserves. In order to repay the deficit, future employer contributions will be 16.1% (2016 - 14.8%). This deficit is considered a long term deficit and not an immediate liability.

Going concern

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

FUTURE PLANS

The IAB continue to promote the Academy with in the local community.

The IAB continue to apply for capital funding to further improve and extend the school buildings, which will improve the suitability and condition of the school.

The academy continues to apply for other grants to improve the school facilities and learning resources.

BROCKHAMPTON ACADEMY TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The trustees of Brockhampton Academy are also the directors of the charitable company for the purposes of company law.

Details of the trustees who served during the year are included in the Reference and Administration Details on page 1.

Following an OFSTED inspection in January 2016, the academy was placed in special measures. As a result the responsibility of the governance of the academy was transferred to an Interim Academy Board (IAB). This board was set up by the Department for Education and is subject to a set of specific Terms of Reference with a clear focus on driving improvement at the academy. This improvement was demonstrated to OFSTED in July 2017 when the school successfully achieved a Good OFSTED rating.

Members' liability

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

Trustees' Indemnities

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2017 is incorporated within the total insurance premium.

Method of recruitment and appointment or election of trustees

Trustees are recruited from the employees of the Academy, parents (by election) and community governors.

Organisational structure

The management structure of the Academy consists of the members of the IAB. The IAB are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by use of budgets and making major decisions about the strategic direction of the Academy, capital expenditure and the most senior staff appointments.

The Leadership Team is led by the Headteacher, Matthew Mander. These senior leaders manage the Academy at an executive level, implementing the policies agreed by the IAB and reporting back to them on progress. The Headteacher and other key senior leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff.

Policies and procedures adopted for the induction and training of new trustees

The Academy carries out the appropriate training for new trustees.

Arrangements for setting pay and remuneration of key management personnel

The salaries of the Headteacher, Deputy Headteacher(s) and any Assistant Headteacher are reviewed annually as required by the School Teachers' Pay and Conditions Document.

The Headteacher's Pay Range, which the Governing Body is required to set for Headteacher's by the School Teachers' Pay and Conditions Document, reflects the responsibilities of the job in addition to the size of the school, any other factors specified and advice issued by the Local Authority on the salaries of Headteachers at comparable size schools.

The IAB will determine the pay ranges of the Deputy Headteacher and Assistant Headteacher in relation to the duties and responsibilities of those teachers.

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The majority of the income of the Academy is GAG funding from the EFA to provide education. The Academy also receives income from its Nursery and Breakfast Club care facilities. The Academy's policy is to invest surplus funds in low risk short term bank deposits.

BROCKHAMPTON ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

£216,000 (2016 £295,000) of the Academy's liabilities relate to the long term liability in respect of the Brockhampton Academy Trust Pension Scheme which should not need to be repaid fully in the short to medium term. In order to repay the deficit, employer contributions will be 16.1% (2016 - 14.8%). In addition, in order to protect the fund, phased lump sum deficit contributions have been scheduled over the next five years at an average of £7,400 per annum. It is anticipated that the recovery period is twelve years.

PRINCIPAL RISKS AND UNCERTAINTIES

The IAB are required to monitor the following:

- the building due to its nature and age
- future funding changes
- volatility of pupil numbers

DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Worton Rock Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 19 April 2018 and signed on its behalf by:



J Hartwright - Trustee

BROCKHAMPTON ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

Scope of Responsibility

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

The IAB has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Brockhampton Academy Trust and the Secretary of State for Education. They are also responsible for reporting any material weaknesses or breakdown in internal control.

Governance

Following an OFSTED inspection in January 2016, the academy was placed in special measures. As a result the responsibility of the governance of the academy was transferred to an Interim Academy Board (IAB). This board was set up by the Department for Education and is subject to a set of specific Terms of Reference with a clear focus on driving improvement at the academy.

An Interim Academy Board was approved by the trust board on 24 April 2016. During the year the IAB has met formally 8 times (6 times for a full IAB meeting and 2 times for a finance meeting).

Attendance at the Interim Academy Board meetings was as follows:

Full Meeting	Meetings attended	Out of a possible
S A Yates (Chair)	6	6
J Hartwright (Vice Chair)	6	6
H Davies	4	6
S Jenkins (resigned 11 March 2017)	1	3
M Mander	6	6
C Morgan	3	6
B Omar	6	6
 Finance Meeting		
S A Yates (Chair)	2	2
J Hartwright (Vice Chair)	2	2
H Davies	1	2
S Jenkins (resigned 11 March 2017)	0	2
M Mander	2	2
C Morgan	1	2
B Omar	1	2

Review of Value for Money

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

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

Educational Results:

BROCKHAMPTON ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

Review of Value for Money

The tables below show our Key Stage Two results for the academic year 2016/17. Should you require any further details, please contact the school office.

		% meeting expected standard	% achieving a high level of attainment	average scaled score	average progress score
Reading	Sch	92	20	107	+3.6 min.required -5.0
	Nat	71	24	104	
Writing	Sch	80	24	-	+1.9 min. required -7.0
	Nat	76	18	-	
Maths	Sch	84	28	106	+1.8 min. required -5.0
	Nat	75	22	104	
RWM Combined	Sch	76	4	-	-
	Nat	61	9	-	-
Grammar, punctuation and spelling	Sch	84	28	108	-
	Nat	77	31	106	-

Financial Governance and Oversight:

At all IAB meetings the financial position is discussed; along with meetings specifically for the purpose of finance. Systems are in place to ensure strong financial controls and security, and these systems are currently undergoing a full review.

Better Income Generation:

Additional income is gained through the management of the Pre-school and the Breakfast Club. The demand for these services has seen an income increase year upon year.

Reviewing Controls and Managing Risks:

The Academy has implemented segregation of duties within financial control. The IAB challenge decision makers within the trust on the cost and effectiveness of spending proposals in order to achieve value for money.

Lessons Learned:

The Academy is actively seeking to work more collaboratively with other schools for procurement of supplies and services, in order to achieve greater economies of scale.

The Purpose of the System of Internal Control

BROCKHAMPTON ACADEMY TRUST
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of charitable company policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively, efficiently and economically. The system of internal control has been in place in Brockhampton Academy Trust during the period the IAB have been in place.

Capacity to Handle Risk

The IAB has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the trustees have appointed SBS School Business Services to carry out a programme of internal checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of income systems
- testing of control accounts and bank reconciliations
- review of ESFA information

The reports of SBS School Business Services are reported to the the board of trustees through the finance and general purposes committee meetings on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The reviewer has delivered to the board of trustee's their schedule of work as planned. The checks identified the following material control issues:

Autumn 2016 Term

The Governors must ensure they comply with the EFA financial reporting for academies - this is not currently happening

It would be helpful if the minutes of IAB meetings documented discussions and decisions made by the Board fully

The school needs to revise its financial statement as a matter of urgency to reflect the practices and procedures of an academy

The bank reconciliation should be completed by the second week of each month to enable sufficient time for VAT returns and finance reports to be produced for Governors

The Business Manager should ensure that the review of accounts receivable is completed as part of the month end procedures to ensure that outstanding debts are kept to a minimum

BROCKHAMPTON ACADEMY TRUST
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017

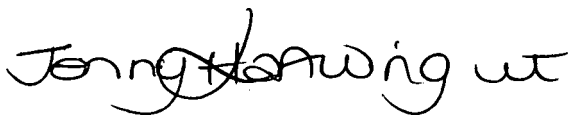
Review of Effectiveness

As Accounting Officer, the Head 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 reviewer;
- the work of the external auditor;
- the financial management and governance self assessment process
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the board of trustees on 19 April 2018 and signed on its behalf by:



J Hartwright - Trustee



Matthew Mander - Accounting Officer

BROCKHAMPTON ACADEMY TRUST

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

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

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

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

A handwritten signature in black ink, reading 'Matthew Mander', written in a cursive style.

Matthew Mander - Accounting Officer

19 April 2018

BROCKHAMPTON ACADEMY TRUST

STATEMENT OF TRUSTEES RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2017

The trustees (who act as governors of Brockhampton Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees 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), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law and regulations.

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

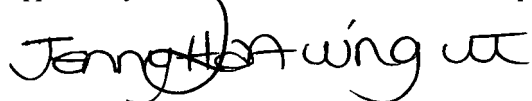
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 19 April 2018 and signed on it's behalf by:



J Hartwright - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BROCKHAMPTON ACADEMY TRUST

Opinion

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

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland';
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2016 to 2017.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BROCKHAMPTON ACADEMY TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

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



David Burrows (Senior Statutory Auditor)
for and on behalf of Worton Rock Limited
Chartered Accountants & Statutory Auditor
Churchfield House
36 Vicar Street
Dudley
West Midlands
DY2 8RG

19 April 2018

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BROCKHAMPTON ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

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

This report is made solely to Brockhampton Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Brockhampton Academy Trust and the 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 Brockhampton Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Brockhampton Academy Trust's funding agreement with the Secretary of State for Education dated 27 October 2011 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw our conclusion includes:

- Performed an evaluation of General (regularity of activities) including review of the outcome of the 2016 regularity assurance work.
- Confirmed appropriate authority has been obtained with regard to delegated authorities.
- Ensured that transactions with connected parties are in accordance with the academy trust's internal processes and the Academies Financial Handbook.
- Reviewed minutes of the committees, and management accounts for indications of irregular transactions.
- Confirmed the board of trustees and accounting officer have given formal representations of their responsibilities.
- Considered whether the general control environment has regard to the regularity of transactions.
- Ensured through enquiry and sample testing expenditure does not contravene the funding agreement.
- Confirmed that internal control procedures exist relating to expenditure incurred of expense claims, cash and credit cards.
- Considered through enquiry and sample testing that the procurement lines of delegation and limits set both internally and by the ESFA have been adhered to.
- Considered the conditions associated with specialist grant income and whether it has been spent as the purposes intended.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
BROCKHAMPTON ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

Conclusion

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

Matter 1:

During the year under review internal control checks were completed in the Autumn 2016 term. However the findings of the report were not reviewed by the Governing Body.

Matter 2:

Expenditure individually between £250 and £5000 is required to have 3 quotes where a supplier has not been previously approved. It was found that quotes were not obtained for four of our sample of fifteen of expenditure.

Matter 3:

No evidence was seen that the governing body considered the financial performance of the Academy for three times during the year.

Worton Rock Limited

Worton Rock Limited
Churchfield House
36 Vicar Street
Dudley
West Midlands
DY2 8RG

19 April 2018

BROCKHAMPTON ACADEMY TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2017

					2017	2016
		Unrestricted fund	Restricted funds	Restricted Fixed Asset Fund		
	Notes	£	£	£	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	-	4,045	67,744	71,789	8,175
Charitable activities						
Funding for the academy's educational operations	3	-	696,064	-	696,064	679,133
Other trading activities	4	114,177	32,575	-	146,752	122,466
Investment income	5	-	81	-	81	100
Total		<u>114,177</u>	<u>732,765</u>	<u>67,744</u>	<u>914,686</u>	<u>809,874</u>
 EXPENDITURE ON						
Raising funds	7	69,420	32,574	-	101,994	93,679
Charitable activities						
Academy's educational operations		-	799,542	21,219	820,761	774,965
Total	6	<u>69,420</u>	<u>832,116</u>	<u>21,219</u>	<u>922,755</u>	<u>868,644</u>
 NET INCOME/(EXPENDITURE)		<u>44,757</u>	<u>(99,351)</u>	<u>46,525</u>	<u>(8,069)</u>	<u>(58,770)</u>
Transfers between funds	20	<u>(67,351)</u>	<u>67,351</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		-	111,000	-	111,000	(133,000)
Net movement in funds		<u>(22,594)</u>	<u>79,000</u>	<u>46,525</u>	<u>102,931</u>	<u>(191,770)</u>
 RECONCILIATION OF FUNDS						
Total funds brought forward		<u>97,143</u>	<u>(295,000)</u>	<u>707,060</u>	<u>509,203</u>	<u>700,973</u>
 TOTAL FUNDS CARRIED FORWARD		<u><u>74,549</u></u>	<u><u>(216,000)</u></u>	<u><u>753,585</u></u>	<u><u>612,134</u></u>	<u><u>509,203</u></u>

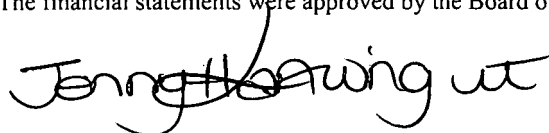
The notes form part of these financial statements

BROCKHAMPTON ACADEMY TRUST
STATEMENT OF FINANCIAL POSITION
AT 31 AUGUST 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	13	749,715	712,455
CURRENT ASSETS			
Stocks	14	-	1,326
Debtors	15	51,855	53,698
Cash at bank and in hand		147,694	145,522
		<u>199,549</u>	<u>200,546</u>
CREDITORS			
Amounts falling due within one year	16	(121,130)	(108,798)
		<u>78,419</u>	<u>91,748</u>
NET CURRENT ASSETS			
		<u>78,419</u>	<u>91,748</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		828,134	804,203
PENSION LIABILITY	21	(216,000)	(295,000)
		<u>612,134</u>	<u>509,203</u>
NET ASSETS		<u>612,134</u>	<u>509,203</u>
FUNDS	20		
Unrestricted funds:			
General fund		74,549	97,143
Restricted funds:			
Restricted Fixed Asset Fund		753,585	707,060
Pension Reserve Restricted		(216,000)	(295,000)
		<u>537,585</u>	<u>412,060</u>
TOTAL FUNDS		<u>612,134</u>	<u>509,203</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 19 April 2018 and were signed on its behalf by:



J Hartwright -Trustee

The notes form part of these financial statements

BROCKHAMPTON ACADEMY TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Cash generated from operations	1	(7,173)	16,335
Net cash provided by (used in) operating activities		<u>(7,173)</u>	<u>16,335</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(58,480)	(18,548)
Capital grants from DfE/ESFA		67,744	5,553
Interest received		81	100
Net cash provided by (used in) investing activities		<u>9,345</u>	<u>(12,895)</u>
Change in cash and cash equivalents in the reporting period		<u>2,172</u>	<u>3,440</u>
Cash and cash equivalents at the beginning of the reporting period		<u>145,522</u>	<u>142,082</u>
Cash and cash equivalents at the end of the reporting period		<u><u>147,694</u></u>	<u><u>145,522</u></u>

The notes form part of these financial statements

BROCKHAMPTON ACADEMY TRUST

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017	2016
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(8,069)	(58,770)
Adjustments for:		
Depreciation	21,219	21,779
Capital grants from DfE/ESFA	(67,744)	(5,553)
Interest received	(81)	(100)
Pension scheme cost less contributions	26,000	12,000
Pension scheme finance costs	6,000	7,000
Decrease in stocks	1,326	1,207
Decrease/(increase) in debtors	1,844	(22,058)
Increase in creditors	12,332	60,830
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	(7,173)	16,335
	<hr/>	<hr/>

BROCKHAMPTON ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

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

Brockhampton Academy 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 Academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. The Academy has a funding agreement in place with the Secretary of State for Education with a 7 year notice period.

The trustees believe that it is appropriate to prepare the financial statements on a going concern basis because of the following factors:

- £216,000 (2016 £295,000) of the Academy's liabilities relate to the long term liability in respect of the Brockhampton Academy Trust Pension Scheme which should not need to be repaid fully in the short to medium term. The liability is included in restricted reserves and the Academy will have to meet any long term liability out of restricted reserves. In order to repay the deficit employer contributions will be 16.1% (2016 - 14.8%). In addition, in order to protect the fund, phased lump sum deficit contributions have been scheduled over the next five years at an average of £7,400 per annum. It is anticipated that the recovery period is twelve years.
- the Academy has net current assets of £78,419 (2016 - £91,748) equivalent to its working capital, which enables the payment of debts as they fall due; and
- the Department for Education has committed to funding the Academy in 2017/18.

Income

All income is recognised in the Statement of Financial Activities once the Academy has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

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 year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital 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.

BROCKHAMPTON ACADEMY TRUST

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

1. ACCOUNTING POLICIES - continued

Sponsorship income

Sponsorship income provided to the Academy 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 it is probable that the income will be received and the amount can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

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

Donated goods, facilities and services

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

The conversion from a state maintained school to an Academy involved the transfer of identifiable assets and liabilities and the operation of the school for nil consideration and has been accounted for under the acquisition method of accounting.

The assets and liabilities transferred on conversion from a state maintained school to an Academy have been valued at fair value being a reasonable estimate of current market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Brockhampton Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income (net income/net expenditure) in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

The Academy's land and buildings were included within the accounts on conversion on the basis of the valuation commissioned by the EFSA. The Academy has continued to hold land and buildings in the accounts at this value less any applicable depreciation.

Expenditure

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

Raising funds

Raising funds includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable activities

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

All resources are inclusive of irrecoverable VAT.

BROCKHAMPTON ACADEMY TRUST

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

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets.

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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following basis:

Long term Leasehold Property	2% Straight line
Fixtures and fittings	15% Reducing balance
Computer equipment	33% Straight line

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

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.

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due from the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Taxation

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

BROCKHAMPTON ACADEMY TRUST

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

1. ACCOUNTING POLICIES - continued

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from Education and Skills Funding Agency/Department for Education.

Pension costs and other post-retirement 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 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

BROCKHAMPTON ACADEMY TRUST

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

1. ACCOUNTING POLICIES - continued

Liabilities

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

Provisions

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within the interest payable and similar charges.

Leased Assets

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

BROCKHAMPTON ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017**

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Donations	-	4,045	4,045	2,622
Grants	-	67,744	67,744	5,553
	<u>-</u>	<u>71,789</u>	<u>71,789</u>	<u>8,175</u>

Grants received, included in the above, are as follows:

	2017 £	2016 £
Other DfE/ESFA Grants	5,744	5,553
Condition Improvement Fund Grant	62,000	-
	<u>67,744</u>	<u>5,553</u>

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Other income	-	4,616	4,616	20,398
Grants	-	691,448	691,448	658,735
	<u>-</u>	<u>696,064</u>	<u>696,064</u>	<u>679,133</u>

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	618,280	618,280	584,382
Other DfE/ESFA Grants	-	67,585	67,585	67,999
	<u>-</u>	<u>685,865</u>	<u>685,865</u>	<u>652,381</u>
Other government grant				
Local Authority Grants	-	5,583	5,583	6,354
	<u>-</u>	<u>691,448</u>	<u>691,448</u>	<u>658,735</u>

BROCKHAMPTON ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017**

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Income from wrap around care	112,089	-	112,089	97,768
Miscellaneous income	2,088	32,575	34,663	24,698
	<u>114,177</u>	<u>32,575</u>	<u>146,752</u>	<u>122,466</u>

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Deposit account interest	-	81	81	100
	<u>-</u>	<u>81</u>	<u>81</u>	<u>100</u>

6. EXPENDITURE

	Staff costs £	Non-pay expenditure Premises £	Other costs £	2017 Total £	2016 Total £
Raising funds					
Costs of fundraising	-	32,574	-	32,574	-
Costs incurred by trading for a fundraising purpose	66,166	823	2,431	69,420	93,679
Charitable activities					
Academies educational operations					
Direct costs	546,780	8,566	54,091	609,437	559,387
Allocated support costs	65,551	53,695	92,078	211,324	215,578
	<u>678,497</u>	<u>95,658</u>	<u>148,600</u>	<u>922,755</u>	<u>868,644</u>

Net income/(expenditure) is stated after charging/(crediting):

	2017 £	2016 £
Depreciation - owned assets	21,220	21,779
Auditors' remuneration	10,000	8,500
Auditors' remuneration for non audit work	2,050	1,150
Operating leases - other leases	<u>752</u>	<u>752</u>

BROCKHAMPTON ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017**

7. RAISING FUNDS

Costs of fundraising

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Support costs	-	32,574	32,574	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Costs incurred by trading for a fundraising purpose

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Staff costs	66,166	-	66,166	70,893
Educational supplies	549	-	549	2,870
Staff development	-	-	-	368
Other direct costs	1,048	-	1,048	1,981
Catering	834	-	834	1,743
Support costs	823	-	823	15,824
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	69,420	-	69,420	93,679
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Aggregate amounts	<u>69,420</u>	<u>32,574</u>	<u>101,994</u>	<u>93,679</u>
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8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Direct costs	-	609,437	609,437	559,387
Support costs	-	211,324	211,324	215,578
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	820,761	820,761	774,965
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

BROCKHAMPTON ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017**

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued

	2017 Total £	2016 Total £
Analysis of support costs		
Support staff costs	65,551	59,861
Depreciation	5,389	7,507
Technology costs	16,362	9,596
Premises costs	53,695	54,605
Other support costs	48,816	61,972
Governance costs	21,511	22,037
Total support costs	<u>211,324</u>	<u>215,578</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Head and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Head and staff members under their contracts of employment, and not in respect of their role as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

The value of trustees' remuneration and other benefits was as follows:

M Mander (Head and trustee):

Remuneration £55,000 - £60,000 (2016: £50,000 - £55,000) Employer's pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000)

A McLaren (Deputy Head and staff trustee)

Remuneration £40,000 - £45,000 (2016: £35,000 - £40,000) Employer's pension contributions £5,000 - £10,000 (2016 £5,000 - £10,000)

S Podmore (staff member and staff trustee) Remuneration £5,000 - £10,000 (2016 £15,000 - £20,000) Employer's pension contributions £ 0 - £5,000 (2016: £0 - £5,000)

S Podmore resigned on 13 January 2017.

Trustees' expenses

During the year, trustees received reimbursement of expenses to the value of £824 (2016 - £804).

BROCKHAMPTON ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017**

10. STAFF COSTS

	2017	2016
	£	£
Wages and salaries	513,863	466,367
Social security costs	32,648	24,105
Operating costs of defined benefit pension schemes	111,712	85,265
	<hr/>	<hr/>
Supply teacher costs	658,223	575,737
	20,274	43,548
	<hr/>	<hr/>
	<u>678,497</u>	<u>619,285</u>

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	2017	2016
Teachers	9	8
Administrative and support	26	23
Management	1	1
	<hr/>	<hr/>
	<u>36</u>	<u>32</u>

No employees received emoluments in excess of £60,000.

Key management personnel

The key management personnel of the Academy comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £122,325 (2016 £130,596).

From January 2016 to 31 August 2017 A Jones was seconded from another school. As a result Brockhampton Academy Trust have been recharged salary costs of £46,759 (2016 £30,210).

11. TRUSTEES' AND OFFICERS' INSURANCE

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

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund	Restricted funds	Restricted Fixed Asset Fund	Total funds
	£	£	£	£
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	750	1,872	5,553	8,175
Charitable activities				
Funding for the academy's educational operations	-	679,133	-	679,133

BROCKHAMPTON ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund	Restricted funds	Restricted Fixed Asset Fund	Total funds
	£	£	£	£
Other trading activities	107,934	14,533	(1)	122,466
Investment income	-	100	-	100
Total	108,684	695,638	5,552	809,874
EXPENDITURE ON				
Raising funds	93,679	-	-	93,679
Charitable activities				
Academy's educational operations	-	753,186	21,779	774,965
Total	93,679	753,186	21,779	868,644
NET INCOME/(EXPENDITURE)	15,005	(57,548)	(16,227)	(58,770)
Transfers between funds	-	(7,601)	7,601	-
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	-	(133,000)	-	(133,000)
Net movement in funds	15,005	(198,149)	(8,626)	(191,770)
RECONCILIATION OF FUNDS				
Total funds brought forward	82,138	(96,851)	715,686	700,973
TOTAL FUNDS CARRIED FORWARD	97,143	(295,000)	707,060	509,203

BROCKHAMPTON ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017**

13. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 September 2016	716,333	46,292	26,175	788,800
Additions	40,380	16,091	2,009	58,480
	<u>756,713</u>	<u>62,383</u>	<u>28,184</u>	<u>847,280</u>
DEPRECIATION				
At 1 September 2016	41,924	13,975	20,446	76,345
Charge for year	8,566	7,264	5,390	21,220
	<u>50,490</u>	<u>21,239</u>	<u>25,836</u>	<u>97,565</u>
NET BOOK VALUE				
At 31 August 2017	<u>706,223</u>	<u>41,144</u>	<u>2,348</u>	<u>749,715</u>
At 31 August 2016	<u>674,409</u>	<u>32,317</u>	<u>5,729</u>	<u>712,455</u>

Included in cost or valuation of land and buildings is freehold land of £288,507 (2016 - £288,507) which is not depreciated.

14. STOCKS

	2017 £	2016 £
Stocks	<u>-</u>	<u>1,326</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	10,733	-
VAT	14,655	25,795
Prepayments	26,467	27,903
	<u>51,855</u>	<u>53,698</u>

BROCKHAMPTON ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade creditors	74,704	53,230
Social security and other taxes	11,107	9,398
Other creditors	15,602	14,278
Accruals and deferred income	19,717	31,892
	<u>121,130</u>	<u>108,798</u>

Deferred income

	2017	2016
	£	£
Deferred income at 1 September 2016	13,001	-
Released from previous years	(13,001)	-
Resources deferred in the year	11,217	13,001
	<u>11,217</u>	<u>13,001</u>

Deferred Income at 31 August 2017

At the balance sheet date the Academy was holding funds received in advance for Universal Free School Meals income.

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017	2016
	£	£
Between one and five years	<u>1,269</u>	<u>2,445</u>

18. MEMBERS' LIABILITY

Each member of the Academy Trust 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.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	2017	2016
	Total funds	Total funds
	£	£
	Unrestricted fund	Restricted funds
	£	£
Fixed assets	-	-
Current assets	76,098	63,762
Current liabilities	(1,549)	(63,762)
Pension liability	-	(216,000)
	<u>74,549</u>	<u>(216,000)</u>

Restricted
Fixed Asset
Fund

£

749,715

59,689

(55,819)

-

753,585

749,715

199,549

(121,130)

(216,000)

612,134

712,455

200,546

(108,798)

(295,000)

509,203

BROCKHAMPTON ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017**

20. MOVEMENT IN FUNDS

	At 1/9/16 £	Net movement in funds £	Transfers between funds £	At 31/8/17 £
Unrestricted funds				
General fund	97,143	44,757	(67,351)	74,549
Restricted funds				
Restricted General Fund	-	(67,351)	67,351	-
Restricted Fixed Asset Fund	707,060	46,525	-	753,585
Pension Reserve Restricted	(295,000)	79,000	-	(216,000)
	<u>412,060</u>	<u>58,174</u>	<u>67,351</u>	<u>537,585</u>
TOTAL FUNDS	<u>509,203</u>	<u>102,931</u>	<u>-</u>	<u>612,134</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	114,177	(69,420)	-	44,757
Restricted funds				
Restricted General Fund	732,765	(800,116)	-	(67,351)
Restricted Fixed Asset Fund	67,744	(21,219)	-	46,525
Pension Reserve Restricted	-	(32,000)	111,000	79,000
	<u>800,509</u>	<u>(853,335)</u>	<u>111,000</u>	<u>58,174</u>
TOTAL FUNDS	<u>914,686</u>	<u>(922,755)</u>	<u>111,000</u>	<u>102,931</u>

Comparatives for movement in funds

	At 1/9/15 £	Net movement in funds £	Transfers between funds £	At 31/8/16 £
Unrestricted Funds				
General fund	82,138	15,005	-	97,143
Restricted Funds				
Restricted General Fund	46,149	(38,548)	(7,601)	-
Restricted Fixed Asset Fund	715,686	(16,227)	7,601	707,060
Pension Reserve Restricted	(143,000)	(152,000)	-	(295,000)
	<u>618,835</u>	<u>(206,775)</u>	<u>-</u>	<u>412,060</u>
TOTAL FUNDS	<u>700,973</u>	<u>(191,770)</u>	<u>-</u>	<u>509,203</u>

BROCKHAMPTON ACADEMY TRUST

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

20. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	108,684	(93,679)	-	15,005
Restricted funds				
Restricted General Fund	695,638	(734,186)	-	(38,548)
Restricted Fixed Asset Fund	5,552	(21,779)	-	(16,227)
Pension Reserve Restricted	-	(19,000)	(133,000)	(152,000)
	<u>701,190</u>	<u>(774,965)</u>	<u>(133,000)</u>	<u>(206,775)</u>
TOTAL FUNDS	<u>809,874</u>	<u>(868,644)</u>	<u>(133,000)</u>	<u>(191,770)</u>

Restricted funds **Restricted general fund**

This fund is GAG related and is restricted to the purpose for which it is received.

Pension reserve

The pension reserve forms part of the restricted general fund and relates to the Academy Trust's share of the deficit of the Worcestershire County Council Local Government Pension Fund.

Fixed asset fund

These grants relate to funding received from the ESFA to carry out works of a capital nature.

21. 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 Mercer. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £14,340 were payable to the schemes at 31 August 2017 (2016: £14,143) and are included within creditors.

Teachers' pension scheme

Introduction

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

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

BROCKHAMPTON ACADEMY TRUST

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

21. PENSION AND SIMILAR OBLIGATIONS - continued

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £45,804 (2016 - £42,372).

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

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

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £46,314 (2016: £33,206), of which employer's contributions totalled £36,414 (2016: £24,137) and employees' contributions totalled £9,900 (2016: £9,069). The agreed contribution rates for future years are 16.1% per cent for employers and between 5.5% and 12.5% per cent for employees.

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

In addition in order to protect the fund, phased lump sum deficit contributions have been scheduled over the next five years at an average of £7,400 per annum. It is anticipated that the recovery period is twelve years.

BROCKHAMPTON ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017**

21. PENSION AND SIMILAR OBLIGATIONS
- continued

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2017	2016
	£	£
Present value of funded obligations	(442,000)	(474,000)
Fair value of plan assets	226,000	179,000
	<u>(216,000)</u>	<u>(295,000)</u>
Deficit	<u>(216,000)</u>	<u>(295,000)</u>
Liability	<u><u>(216,000)</u></u>	<u><u>(295,000)</u></u>

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	2017	2016
	£	£
Current service cost	62,000	36,000
Net interest from net defined benefit asset/liability	5,000	6,000
Administration expenses	1,000	1,000
	<u>68,000</u>	<u>43,000</u>
Actual return on plan assets	<u><u>29,000</u></u>	<u><u>27,000</u></u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2017	2016
	£	£
Defined benefit obligation	474,000	262,000
Current service cost	62,000	36,000
Contributions by scheme participants	10,000	9,000
Interest cost	9,000	11,000
Actuarial losses/(gains)	(85,000)	156,000
Benefits paid	<u>(28,000)</u>	<u>-</u>
	<u><u>442,000</u></u>	<u><u>474,000</u></u>

BROCKHAMPTON ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017**

21. PENSION AND SIMILAR OBLIGATIONS
- continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2017	2016
	£	£
Fair value of scheme assets	179,000	119,000
Contributions by employer	36,000	24,000
Contributions by scheme participants	10,000	9,000
Interest on plan assets	4,000	5,000
Actuarial gains/(losses)	26,000	23,000
Benefits paid	(28,000)	-
Assets administration costs	(1,000)	(1,000)
	<u>226,000</u>	<u>179,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2017	2016
	£	£
Actuarial gains/(losses) assets	26,000	23,000
Actuarial gains/(losses) obligations	85,000	(156,000)
	<u>111,000</u>	<u>(133,000)</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2017	2016
	£	£
Equities	194,000	150,000
Other bonds	12,000	11,000
Property	9,000	8,000
Cash	3,000	4,000
Other	8,000	6,000
	<u>226,000</u>	<u>179,000</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2017	2016
Discount rate	2.5%	2.2%
Increase in salaries	3.7%	3.4%
Rate of increase for pensions	2.2%	2%
Inflation assumption (CPI)	2.2%	1.9%

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

At 31 August 2017:

	2017	2016
Retiring today		

BROCKHAMPTON ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017**

21. PENSION AND SIMILAR OBLIGATIONS
- continued

Males	22.6	23.5
Females	25.6	25.9
Retiring in 20 years		
Males	24.8	25.8
Females	27.9	28.2

Sensitivity analysis

The sensitivity analysis for the principal assumptions used to measure scheme liabilities is as follows:

	2017 £'000	2016 £'000
Discount rate +0.1%	432	462
Mortality assumption - 1 year increase	450	483
CPI rate +0.1%	453	487
p.a. pay growth +0.1%	445	480

22. CAPITAL COMMITMENTS

	2017 £	2016 £
Contracted but not provided for in the financial statements	<u>50,355</u>	<u>-</u>

23. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2017.