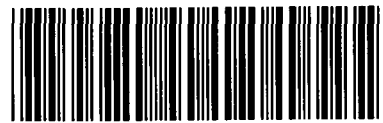


REGISTERED COMPANY NUMBER: 07817746 (England and Wales)

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST AUGUST 2018
FOR
BROCKHAMPTON ACADEMY TRUST**

MONDAY



A7WNQF6X

A07

07/01/2019

#22

COMPANIES HOUSE

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

4 3
5
4 1
1

BROCKHAMPTON ACADEMY TRUST
CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2018

	Page
Reference and Administrative Details	1 to 2
Report of the Trustees	3 to 8
Governance Statement	9 to 12
Statement on Regularity, Propriety and Compliance	13
Statement of Trustees Responsibilities	14
Report of the Independent Auditors	15 to 16
Independent Accountant's Report on Regularity	17 to 18
Statement of Financial Activities	19
Statement of Financial Position	20
Statement of Cash Flows	21
Notes to the Statement of Cash Flows	22
Notes to the Financial Statements	23 to 45

BROCKHAMPTON ACADEMY TRUST
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31ST AUGUST 2018

MEMBERS

TRUSTEES

S A Yates
J Hartwright
M D Mander
A McLaren
B A Omar
S C Dawson
B A P J Fox

SENIOR MANAGEMENT TEAM

M Mander - Headteacher
A McLaren - Deputy Head

INTERIM ACADEMY BOARD

S Yates - Chair
J Hartwright - Vice Chair
H Davies (resigned 15 July 2018)
C Morgan (resigned 11 June 2018)
B Omar
M Mander
S Wilson (appointed 28 March 2018)
S Pinches (appointed 28 March 2018)

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

BROCKHAMPTON ACADEMY TRUST
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31ST AUGUST 2018

BANKERS

Lloyds Bank PLC
9 Corn Square
Leominster
Herefordshire
HR6 8LT

SOLICITORS

Schofield Sweeney
Springfield House
76 Wellington Street
Leeds
LS1 2AY

BROCKHAMPTON ACADEMY TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2018

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 31st August 2018. 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 2 to 11. It has a pupil capacity of 202 and had a roll call of 199 in the school census in July 2018.

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 31ST AUGUST 2018

ACHIEVEMENT AND PERFORMANCE

Key academic & financial performance indicators

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

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 2017/18

Early Years Foundation Stage

		2016	2017	2018
% achieving GLD				
School	67		92.3	60.7
National	69		70.7	71.5

Year One Phonic Screening Check

		2016	2017	2018
% meeting threshold				
School	88		89.2	85.7
National	81		81	82.6

End of Key Stage One Teacher Assessments (Year Two)

		2016		2017		2018	
		%EXS	%GDS	%EXS	%GDS	%EXS	%GDS
Reading	School	70	20	82.3	47	68.9	20.6
	National	74	24	76	25	75.5	25.7
Writing	School	70	20	76.4	35.2	62.1	13.8
	National	65	13	68	16	70	15.9
Maths	School	70	25	82.3	29.4	75.9	24.1
	National	73	18	75	21	76.1	21.8

End of Key Stage Two SATS (Year Six)

		2016		2017		2018	
		%EXS	%GDS	%EXS	%GDS	%EXS	%GDS
Reading	School	90	40	92	20	94.7	68.4
	National	66	19	71	24	75	25
Writing	School	80	10	80	24	78.9	21
	National	74	15	76	18	78	18
Maths	School	100	45	84	28	74	26.3
	National	74	17	75	22	76	23
EGPS	School	100	40	84	28	89.5	57.9
	National	72	22	77	31	78	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

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST AUGUST 2018

ACHIEVEMENT AND PERFORMANCE

Key academic & financial performance indicators

FINANCIAL REVIEW

Financial review

Spending has been focussed on continuing to embed improvements to the teaching and learning provision for the children as well as developing the building and grounds to meet basic educational needs, improve safeguarding and develop the grounds for potential future income generation. This includes:

- A successful CIF bid which secured the entrance to the school and created a library and breakout space for the children
- The creation of a new outdoor area to enhance the curriculum and provide facilities for potential wrap around care and leasing arrangements in the near future
- Continued training and implementation of the Thrive programme
- Resources for reading and maths
- Training and resources to implement a new Key Stage Two Spelling scheme
- Training for development of middle leaders within the school
- Resources and training to develop the outdoor learning provision

Unforeseen expenditure has included:

- Long term absence cover for a member of teaching staff
- Maternity cover for member of teaching staff
- Additional costs incurred by the successful CIF bid

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. Action plans, drawn up as a result of the ESFA conditions for the £40,000 loan, have outlined plans and timeframes for feasibility studies to be carried out by the School Business Manager and Governors into the potential income from providing wrap around care, holiday clubs and external lettings.

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 2018, the deficit of income over expenditure for the year (before recognised gains and losses and excluding capital restricted funds) equated to £109,428 (2017 deficit - £54,594).

Investment policy and objectives

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

Reserves policy

Excluding the pension scheme liability and capital funds, the Academy funds deficit at 31 August 2018 was £51,280 (2017 - £74,549 surplus).

The Academy also has a pension scheme deficit in respect of the Worcestershire County Council Local Government Pension Scheme of £196,000 (2017 - £216,000). 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% (2017 - 16.1%). This deficit is considered a long term deficit and not an immediate liability.

The IAB recognises that the Academy is entering a challenging period and are optimistic that the deficit can be eliminated in the future. The Academy has put an action plan into place in order to return these funds to surplus.

The long term aim, following the repayment of the ESFA loan, is to re-build a level of reserves that will be adequate to provide a stable basis for the continuing operation of the Academy.

BROCKHAMPTON ACADEMY TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2018

FINANCIAL REVIEW

Going concern

The Trustees recognise that there remains a concern over the ability of the Academy to continue as a going concern due to the following:

- there are net current liabilities as at 31 August 2018 of £49,394.
- the negative combined restricted and unrestricted general fund balances was £51,280 at 31 August 2018.

In May 2018, a £40,000 loan was arranged with the ESFA in order to aid cash flow. A subsequent Financial Notice to Improve Warning Letter from the ESFA set out the following seven conditions which needed to be met:

- The Trust continues to repay the recoverable emergency funding of £40,000 in 8 instalments of £5,000 between September 2018 and April 2019.
- The trust moves onto the latest model funding agreement by 31 October 2018.
- The Trust completes Integrated Curriculum and Financial Planning analysis and benchmarking, reviewing available national deals and confirming how this would alter any further forecasts. This is to be returned to the ESFA by 31 October 2018.
- The Trust commissions a full independent review of its governance arrangements and financial management processes. The review should include a full skills audit of the corporate governance model. This document to be returned to the ESFA by 31 October 2018.
- The Trust should provide the ESFA with an action plan setting out how the Trust intends to address any recommendations from the independent review. This is to be returned to the ESFA by 30 November 2018.
- The Trust should provide the ESFA with an action plan confirming how and when the Trust intends to join a Multi Academy Trust. This is to be returned to the ESFA by 30 November 2018.
- The Trust should provide the ESFA with copies of management accounts from July 2018 until December 2018 on a monthly basis.

So far, deadlines for meeting those conditions have been met ahead of time and the academy is working closely with the ESFA, accountancy support and independent governance consultants to ensure appropriate and effective governance and financial management of the academy is developed and maintained. As a result of meeting the ESFA conditions for the loan, and the subsequent forecasts and action plans to develop effective governance and financial compliance, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Trustees consider it appropriate to continue 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 on page 24.

FUTURE PLANS

The IAB continue to promote the Academy within the local community with considerable success. Links have been established with several local service providers and the reputation of the school continues to grow, as evidenced by increasing in-year transfers from other schools.

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.

BROCKHAMPTON ACADEMY TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST AUGUST 2018

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 2018 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 31ST AUGUST 2018

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

£196,000 (2017 £216,000) of the Academy's liabilities relate to the long term liability in respect of the Brockhampton Academy Trust's liability for the Worcestershire County Council Local Government 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% (2017 - 16.1%). 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 Academy encountered cashflow problems in the latter part of 2017-18 and these were addressed by the provision of a short term loan of £40,000 from the ESFA which enabled outstanding creditors to be repaid. This loan is repayable by 8 monthly instalments of £5,000 starting in September 2018.

Following the independent review of Governance and financial management as stipulated by the conditions of the ESFA loan, the IAB will actively review and maintain the risk management checklist and procedures. Plans are being drawn up to prioritise those issues that pose risk to the continued viability of the Academy. To date, these include:

- Effective, compliant financial management
- Effective, compliant Governance
- Sustainable continued development of the leadership and management of the school
- Replace mobile classroom and extend the school in order to meet the basic educational needs of the children
- The continuing challenge presented by funding for schools

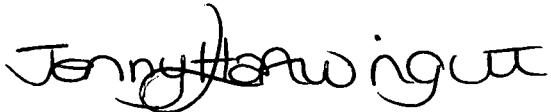
DISCLOSURE OF INFORMATION TO AUDITORS

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 19th December 2018 and signed on its behalf by:



J Hartwright - Trustee

BROCKHAMPTON ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31ST AUGUST 2018

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 6 times (5 times for a full IAB meeting and 1 time for a finance meeting).

Attendance at the Interim Academy Board meetings was as follows:

	Meetings attended	Out of a possible
S A Yates (Chair)	4	6
J Hartwright (Vice Chair)	4	6
H Davies (resigned 15 July 2018)	4	4
M Mander	6	6
C Morgan (resigned 11 June 2018)	3	4
B Omar	5	6
S Wilson (appointed 28 March 2018)	2	4
S Pinches (appointed 28 March 2018)	4	4

BROCKHAMPTON ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31ST AUGUST 2018

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:

The tables below show our Key Stage Two results for the academic year 2017/18. 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	94.7	68.4	111.3	+7.6 min.required -5.0
	Nat	75	25	105	
Writing	Sch	78.9	21	-	+1.1 min. required -7.0
	Nat	78	18	-	
Maths	Sch	74	26.3	103.7	+2.0 min. required -5.0
	Nat	76	23	104	
RWM Combined	Sch	74	16	-	-
	Nat	64	9	-	-
Grammar, punctuation and spelling	Sch	89.5	57.9	108.4	-
	Nat	78	31	106	-

Financial Governance and Oversight:

Following the independent review of Governance and financial management as stipulated by the conditions of the ESFA loan, the IAB is committed to implementing all actions from the resultant action plan as provided to the ESFA.

Better Income Generation:

Additional income is gained through the management of the Pre-school and the Breakfast Club.

Action plans are in place and have outlined plans and timeframes for feasibility studies to be carried out by the School Business Manager and Governors into the potential income from providing wrap around care, holiday clubs and external lettings.

BROCKHAMPTON ACADEMY TRUST
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2018

Review of Value for Money

The new School Business Manager will be actively seeking additional income from grants and reduced costs accessed through DfE National Deals for Schools.

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 has recently become a founder member of a soft federation of local schools (Education for Bromyard) in order to work more collaboratively with those schools for procurement of supplies and services, in order to achieve greater economies of scale.

The Purpose of the System of Internal Control

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 should be 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 conclusions/recommendations of the Spring 2018 report were as follows:

BROCKHAMPTON ACADEMY TRUST
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2018

The Risk and Control Framework

- 1 The Governors must ensure that they comply with the ESFA financial reporting for academies, this is not currently happening as the school has missed its accounts submission date for two years
- 2 The school needs to ensure that all staff members adhere to the financial control processes as a matter of urgency
- 3 All transactions from June 2017 need to be added to SAGE and bank reconciliations completed. This work needs to be completed before the school is in a position to review its financial position.
- 4 The school should consider budgeting/monitoring software to aid the decision making process.
- 5 The school should consider academy specific financial software.

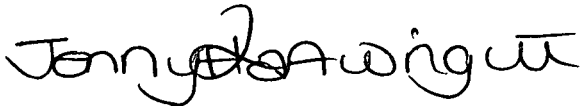
Review of Effectiveness

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 19th December 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 31ST AUGUST 2018**

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 terms and conditions of all funding received by the charitable company, 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 2017.

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 2017.

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.



Matthew Mander - Accounting Officer

19th December 2018

BROCKHAMPTON ACADEMY TRUST

STATEMENT OF TRUSTEES RESPONSIBILITIES FOR THE YEAR ENDED 31ST AUGUST 2018

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 Academies 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

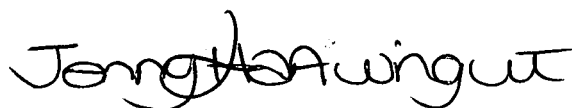
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern 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 19th December 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 31st August 2018 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 2017 to 2018 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st August 2018 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 2017 to 2018.

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.

Material Uncertainty Related to Going Concern

We draw attention to note 1 on page 24 of the financial statements, which indicates that combined restricted and unrestricted general funds held by the academy are in deficit by £51,280 at 31 August 2018. The academy trust is committed to meeting the conditions set out in the Financial Notice to Improve Warning letter issued by the ESFA in September 2018 and is reliant upon the continued support of the ESFA. These conditions indicate the existence of a material uncertainty which may cast doubt on the academy trust's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the academy trust was unable to continue as a going concern. Our opinion is not modified in respect of this matter.

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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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.

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

Matters on which we are required to report by exception

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

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

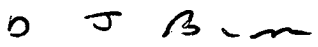
Our responsibilities for the audit of the financial statements

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.

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 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.


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

19th December 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 2017 to 2018, 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 1st September 2017 to 31st August 2018 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 27th October 2011 and the Academies Financial Handbook, extant from 1st 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 2017 to 2018. 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 1st September 2017 to 31st August 2018 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 2017 to 2018 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 2017 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 2017 to 31 August 2018 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

In September 2018 the Academy Trust received a financial notice to improve warning letter from the Education and Skills Funding Agency (ESFA). This was due to concerns regarding the financial management of the Trust following late submission of the Trust's 2016/17 financial statements and accompanying management letter, failure to manage a balanced budget and failure to manage its finances within the current structure. The ESFA considered these matters to be in breach of the Academies Financial Handbook and the Academies Funding Agreement.

Matter 2:

During the year under review no evidence was seen that the governing body had been presented with adequate financial information in order to consider the financial performance of the Academy.

Matter 3:

During the year under review the Responsible Officer Report was completed in the Spring 2018 term. However the findings of the report were not reviewed by the governing body.

Matter 4:

The declaration of business interests for trustees and key staff has not been updated and published on the Academy's website.

Matter 5:

The Academy has failed to keep a fixed asset register or conduct independent checks to prevent loss or misuse of the Academy's assets.

Matter 6:

For one item of expenditure between £250 and £5,000 there is no evidence that three quotations were obtained. This is not in accordance with the Finance Policy of the academy trust.

Worton Rock Limited

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

19th December 2018

BROCKHAMPTON ACADEMY TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST AUGUST 2018

				2018	2017
		Unrestricted fund	Restricted funds	Restricted Fixed Asset Fund	
	Notes	£	£	£	Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and capital grants	2	4,856	8,606	5,643	19,105
Charitable activities					
Funding for the academy's educational operations	3	-	696,476	-	696,476
Other trading activities	4	98,346	22,615	-	120,961
Investment income	5	-	46	-	46
Total		<u>103,202</u>	<u>727,743</u>	<u>5,643</u>	<u>836,588</u>
EXPENDITURE ON					
Raising funds	7	102,342	-	-	102,342
Charitable activities					
Academy's educational operations		-	838,031	19,227	857,258
Total	6	<u>102,342</u>	<u>838,031</u>	<u>19,227</u>	<u>959,600</u>
NET INCOME/(EXPENDITURE)					
		860	(110,288)	(13,584)	(123,012)
Transfers between funds	20	<u>(70,420)</u>	<u>23,019</u>	<u>47,401</u>	<u>-</u>
Other recognised gains/(losses)					
Actuarial gains/losses on defined benefit schemes		-	51,000	-	51,000
Net movement in funds		<u>(69,560)</u>	<u>(36,269)</u>	<u>33,817</u>	<u>(72,012)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>74,549</u>	<u>(216,000)</u>	<u>753,585</u>	<u>612,134</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>4,989</u></u>	<u><u>(252,269)</u></u>	<u><u>787,402</u></u>	<u><u>612,134</u></u>

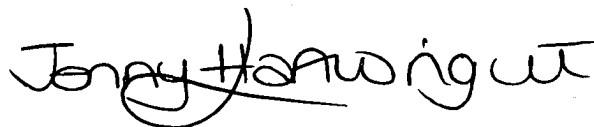
The notes form part of these financial statements

BROCKHAMPTON ACADEMY TRUST
STATEMENT OF FINANCIAL POSITION
AT 31ST AUGUST 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	13	785,516	749,715
CURRENT ASSETS			
Debtors	14	32,917	51,855
Cash at bank and in hand		23,593	147,694
		<u>56,510</u>	<u>199,549</u>
CREDITORS			
Amounts falling due within one year	15	(105,904)	(121,130)
		<u></u>	<u></u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(49,394)</u>	<u>78,419</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		736,122	828,134
PENSION LIABILITY	21	(196,000)	(216,000)
		<u></u>	<u></u>
NET ASSETS		<u><u>540,122</u></u>	<u><u>612,134</u></u>
FUNDS	20		
Unrestricted funds:			
General fund		4,989	74,549
Restricted funds:			
Restricted General Fund		(56,269)	-
Restricted Fixed Asset Fund		787,402	753,585
Pension Reserve Restricted		(196,000)	(216,000)
		<u>535,133</u>	<u>537,585</u>
TOTAL FUNDS		<u><u>540,122</u></u>	<u><u>612,134</u></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 19th December 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 31ST AUGUST 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Cash generated from operations	1	(114,762)	(7,173)
Net cash provided by (used in) operating activities		<u>(114,762)</u>	<u>(7,173)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(55,028)	(58,480)
Capital grants from DfE/ESFA		5,643	67,744
Interest received		46	81
Net cash provided by (used in) investing activities		<u>(49,339)</u>	<u>9,345</u>
Cash flows from financing activities:			
DFSE Loan		40,000	-
Net cash provided by (used in) financing activities		<u>40,000</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		<u>(124,101)</u>	<u>2,172</u>
Cash and cash equivalents at the beginning of the reporting period		<u>147,694</u>	<u>145,522</u>
Cash and cash equivalents at the end of the reporting period		<u><u>23,593</u></u>	<u><u>147,694</u></u>

The notes form part of these financial statements

BROCKHAMPTON ACADEMY TRUST

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST AUGUST 2018**

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

	2018	2017
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(123,012)	(8,069)
Adjustments for:		
Depreciation	19,227	21,219
Capital grants from DfE/ESFA	(5,643)	(67,744)
Interest received	(46)	(81)
Pension scheme cost less contributions	25,000	26,000
Pension scheme finance costs	6,000	6,000
Decrease in stocks	-	1,326
Decrease in debtors	18,938	1,844
(Decrease)/increase in creditors	(55,226)	12,332
Net cash provided by (used in) operating activities	<u>(114,762)</u>	<u>(7,173)</u>

BROCKHAMPTON ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2018

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.

BROCKHAMPTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST AUGUST 2018

1. ACCOUNTING POLICIES - continued

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 recognise that there remains a concern over the ability of the Academy to continue as a going concern due to the following:

- there are net current liabilities as at 31 August 2018 of £49,394.
- the negative combined restricted and unrestricted general fund balances was £51,280 at 31 August 2018.

In May 2018, a £40,000 loan was arranged with the ESFA in order to aid cash flow. A subsequent Financial Notice to Improve Warning Letter from the ESFA set out the following seven conditions which needed to be met:

- The Trust continues to repay the recoverable emergency funding of £40,000 in 8 instalments of £5,000 between September 2018 and April 2019.
- The trust moves onto the latest model funding agreement by 31 October 2018.
- The Trust completes Integrated Curriculum and Financial Planning analysis and benchmarking, reviewing available national deals and confirming how this would alter any further forecasts. This is to be returned to the ESFA by 31 October 2018.
- The Trust commissions a full independent review of its governance arrangements and financial management processes. The review should include a full skills audit of the corporate governance model. This document to be returned to the ESFA by 31 October 2018.
- The Trust should provide the ESFA with an action plan setting out how the Trust intends to address any recommendations from the independent review. This is to be returned to the ESFA by 30 November 2018.
- The Trust should provide the ESFA with an action plan confirming how and when the Trust intends to join a Multi Academy Trust. This is to be returned to the ESFA by 30 November 2018.
- The Trust should provide the ESFA with copies of management accounts from July 2018 until December 2018 on a monthly basis.

So far, deadlines for meeting those conditions have been met ahead of time and the academy is working closely with the ESFA, accountancy support and independent governance consultants to ensure appropriate and effective governance and financial management of the academy is developed and maintained. As a result of meeting the ESFA conditions for the loan, and the subsequent forecasts and action plans to develop effective governance and financial compliance, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Trustees consider it appropriate to continue to adopt the going concern basis in preparing the Financial Statements.

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.

BROCKHAMPTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST AUGUST 2018

1. ACCOUNTING POLICIES - continued

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.

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.

BROCKHAMPTON ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST AUGUST 2018

1. ACCOUNTING POLICIES - continued

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.

Tangible fixed assets

Assets costing £1,000 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.

BROCKHAMPTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST AUGUST 2018

1. ACCOUNTING POLICIES - continued

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.

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.

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.

BROCKHAMPTON ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST AUGUST 2018**

1. ACCOUNTING POLICIES - continued

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 31ST AUGUST 2018

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 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.

BROCKHAMPTON ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST AUGUST 2018**

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Donations	4,856	8,606	13,462	4,045
Grants	-	5,643	5,643	67,744
	<u>4,856</u>	<u>14,249</u>	<u>19,105</u>	<u>71,789</u>

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

	2018 £	2017 £
Other DfE/ESFA Grants	5,643	5,744
Condition Improvement Fund Grant	-	62,000
	<u>5,643</u>	<u>67,744</u>

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Other income	-	6,516	6,516	4,616
Grants	-	689,960	689,960	691,448
	<u>-</u>	<u>696,476</u>	<u>696,476</u>	<u>696,064</u>

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	611,431	611,431	618,280
Other DfE/ESFA Grants	-	73,074	73,074	67,585
	<u>-</u>	<u>684,505</u>	<u>684,505</u>	<u>685,865</u>
Other government grant				
Local Authority Grants	-	5,455	5,455	5,583
	<u>-</u>	<u>689,960</u>	<u>689,960</u>	<u>691,448</u>

BROCKHAMPTON ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST AUGUST 2018**

4. OTHER TRADING ACTIVITIES

	Unrestricted funds	Restricted funds	2018 Total funds	2017 Total funds
	£	£	£	£
Income from wrap around care	98,346	-	98,346	112,089
Miscellaneous income	-	22,615	22,615	34,663
	<u>98,346</u>	<u>22,615</u>	<u>120,961</u>	<u>146,752</u>

5. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	2018 Total funds	2017 Total funds
	£	£	£	£
Deposit account interest	-	46	46	81
	<u>-</u>	<u>46</u>	<u>46</u>	<u>81</u>

6. EXPENDITURE

	Staff costs	Non-pay expenditure Premises	Other costs	2018 Total	2017 Total
	£	£	£	£	£
Raising funds					
Costs incurred by trading for a fundraising purpose					
Direct costs	64,534	-	14,817	79,351	68,597
Allocated support costs	-	22,615	376	22,991	33,397
Charitable activities					
Academies educational operations					
Direct costs	595,317	11,375	58,852	665,544	609,437
Allocated support costs	68,804	36,143	86,767	191,714	211,324
	<u>728,655</u>	<u>70,133</u>	<u>160,812</u>	<u>959,600</u>	<u>922,755</u>

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

	2018	2017
	£	£
Depreciation - owned assets	19,227	21,220
Auditors' remuneration	8,500	10,000
Auditors' remuneration for non audit work	-	2,050
Operating leases - other leases	705	752
	<u>28,432</u>	<u>34,022</u>

BROCKHAMPTON ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST AUGUST 2018**

7. RAISING FUNDS

Costs incurred by trading for a fundraising purpose

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Staff costs	64,534	-	64,534	66,166
Irrecoverable debts	14,817	-	14,817	-
Educational supplies	-	-	-	549
Other direct costs	-	-	-	1,048
Catering	-	-	-	834
Support costs	22,991	-	22,991	33,397
	<u>102,342</u>	<u>-</u>	<u>102,342</u>	<u>101,994</u>

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Direct costs	-	665,544	665,544	609,437
Support costs	-	191,714	191,714	211,324
	<u>-</u>	<u>857,258</u>	<u>857,258</u>	<u>820,761</u>

	2018 Total £	2017 Total £
Analysis of support costs		
Support staff costs	68,804	65,551
Depreciation	1,679	5,389
Technology costs	15,357	16,362
Premises costs	36,143	53,695
Other support costs	53,276	48,816
Governance costs	16,455	21,511
Total support costs	<u>191,714</u>	<u>211,324</u>

BROCKHAMPTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST AUGUST 2018

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 £60,000 - £65,000 (2017: £55,000 - £60,000) Employer's pension contributions £10,000 - £15,000 (2017: £5,000 - £10,000)

A McLaren (Deputy Head and staff trustee):

Remuneration £40,000 - £45,000 (2017: £40,000 - £45,000) Employer's pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000)

During the year, trustees received reimbursement of expenses to the value of £Nil (2017 - £824).

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st August 2018 nor for the year ended 31st August 2017.

BROCKHAMPTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST AUGUST 2018

10. STAFF COSTS

	2018	2017
	£	£
Wages and salaries	533,130	513,863
Social security costs	44,421	32,648
Operating costs of defined benefit pension schemes	127,849	111,712
	<u>705,400</u>	<u>658,223</u>
Supply teacher costs	23,255	20,274
	<u>728,655</u>	<u>678,497</u>

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

	2018	2017
Teachers	10	9
Administrative and support	25	26
Management	1	1
	<u>36</u>	<u>36</u>

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

	2018	2017
£60,001 - £70,000	1	-
	<u>1</u>	<u>-</u>

The above employee is a member of the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for this member of staff amounted to £10,282.

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 £134,234 (2017 £134,124).

From January 2016 to 31 August 2017 A Jones was seconded from another school. As a result Brockhampton Academy Trust were recharged salary costs of £Nil (2017 £46,579).

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.

BROCKHAMPTON ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST AUGUST 2018**

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	(1)	4,046	67,744	71,789
Charitable activities				
Funding for the academy's educational operations	-	696,064	-	696,064
Other trading activities	114,178	32,574	-	146,752
Investment income	-	81	-	81
Total	<u>114,177</u>	<u>732,765</u>	<u>67,744</u>	<u>914,686</u>
 EXPENDITURE ON				
Raising funds	69,420	32,574	-	101,994
Charitable activities				
Academy's educational operations	-	799,542	21,219	820,761
Total	<u>69,420</u>	<u>832,116</u>	<u>21,219</u>	<u>922,755</u>
 NET INCOME/(EXPENDITURE)	<u>44,757</u>	<u>(99,351)</u>	<u>46,525</u>	<u>(8,069)</u>
 Transfers between funds	<u>(67,351)</u>	<u>67,351</u>	<u>-</u>	<u>-</u>
 Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	-	111,000	-	111,000
Net movement in funds	<u>(22,594)</u>	<u>79,000</u>	<u>46,525</u>	<u>102,931</u>
 RECONCILIATION OF FUNDS				
Total funds brought forward	<u>97,143</u>	<u>(295,000)</u>	<u>707,060</u>	<u>509,203</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>

BROCKHAMPTON ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST AUGUST 2018**

13. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1st September 2017	756,713	62,383	28,184	847,280
Additions	55,028	-	-	55,028
At 31st August 2018	<u>811,741</u>	<u>62,383</u>	<u>28,184</u>	<u>902,308</u>
DEPRECIATION				
At 1st September 2017	50,490	21,239	25,836	97,565
Charge for year	11,375	6,173	1,679	19,227
At 31st August 2018	<u>61,865</u>	<u>27,412</u>	<u>27,515</u>	<u>116,792</u>
NET BOOK VALUE				
At 31st August 2018	<u>749,876</u>	<u>34,971</u>	<u>669</u>	<u>785,516</u>
At 31st August 2017	<u>706,223</u>	<u>41,144</u>	<u>2,348</u>	<u>749,715</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	4,989	10,733
VAT	11,509	14,655
Prepayments	16,419	26,467
	<u>32,917</u>	<u>51,855</u>

BROCKHAMPTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST AUGUST 2018

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Other loans (see note 16)	40,000	-
Trade creditors	17,594	74,704
Social security and other taxes	12,823	11,107
Other creditors	12,403	15,602
Accruals and deferred income	23,084	19,717
	<u>105,904</u>	<u>121,130</u>

Deferred income

	2018	2017
	£	£
Deferred income at 1 September 2017	11,217	13,001
Released from previous years	(11,217)	(13,001)
Resources deferred in the year	12,491	11,217
	<u>12,491</u>	<u>11,217</u>
Deferred Income at 31 August 2018	<u>12,491</u>	<u>11,217</u>

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

16. LOANS

The Academy has received an emergency funding loan from the ESFA. The loan is interest free and repayable by 8 instalments of £5,000 per month starting in September 2018.

17. LEASING AGREEMENTS

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

	2018	2017
	£	£
Between one and five years	<u>705</u>	<u>1,269</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.

BROCKHAMPTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST AUGUST 2018

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

				2018
	Unrestricted fund	Restricted funds	Restricted Fixed Asset Fund	Total funds
	£	£	£	£
Fixed assets	-	-	785,516	785,516
Current assets	4,989	47,543	3,978	56,510
Current liabilities	-	(103,812)	(2,092)	(105,904)
Pension liability	-	(196,000)	-	(196,000)
	<u>4,989</u>	<u>(252,269)</u>	<u>787,402</u>	<u>540,122</u>

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

				2017
	Unrestricted fund	Restricted funds	Restricted Fixed Asset Fund	Total funds
	£	£	£	£
Fixed assets	-	-	749,715	749,715
Current assets	76,098	63,762	59,689	199,549
Current liabilities	(1,549)	(63,762)	(55,819)	(121,130)
Pension liability	-	(216,000)	-	(216,000)
	<u>74,549</u>	<u>(216,000)</u>	<u>753,585</u>	<u>612,134</u>

20. MOVEMENT IN FUNDS

	At 1/9/17 £	Net movement in funds £	Transfers between funds £	At 31/8/18 £
Unrestricted funds				
General fund	74,549	860	(70,420)	4,989
Restricted funds				
Restricted General Fund	-	(79,288)	23,019	(56,269)
Restricted Fixed Asset Fund	753,585	(13,584)	47,401	787,402
Pension Reserve Restricted	(216,000)	20,000	-	(196,000)
	<u>537,585</u>	<u>(72,872)</u>	<u>70,420</u>	<u>535,133</u>
TOTAL FUNDS	<u>612,134</u>	<u>(72,012)</u>	<u>-</u>	<u>540,122</u>

BROCKHAMPTON ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST AUGUST 2018**

20. MOVEMENT IN FUNDS - continued

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	103,202	(102,342)	-	860
Restricted funds				
Restricted General Fund	727,743	(807,031)	-	(79,288)
Restricted Fixed Asset Fund	5,643	(19,227)	-	(13,584)
Pension Reserve Restricted	-	(31,000)	51,000	20,000
	<u>733,386</u>	<u>(857,258)</u>	<u>51,000</u>	<u>(72,872)</u>
TOTAL FUNDS	<u>836,588</u>	<u>(959,600)</u>	<u>51,000</u>	<u>(72,012)</u>

Comparatives for 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>

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	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>

BROCKHAMPTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST AUGUST 2018

20. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/9/16 £	Net movement in funds £	Transfers between funds £	At 31/8/18 £
Unrestricted funds				
General fund	97,143	45,617	(137,771)	4,989
Restricted funds				
Restricted General Fund	-	(146,639)	90,370	(56,269)
Restricted Fixed Asset Fund	707,060	32,941	47,401	787,402
Pension Reserve Restricted	(295,000)	99,000	-	(196,000)
	<u>412,060</u>	<u>(14,698)</u>	<u>137,771</u>	<u>535,133</u>
TOTAL FUNDS	<u>509,203</u>	<u>30,919</u>	<u>-</u>	<u>540,122</u>

A current year 12 months and prior year 12 months combined 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	217,379	(171,762)	-	45,617
Restricted funds				
Restricted General Fund	1,460,508	(1,607,147)	-	(146,639)
Restricted Fixed Asset Fund	73,387	(40,446)	-	32,941
Pension Reserve Restricted	-	(63,000)	162,000	99,000
	<u>1,533,895</u>	<u>(1,710,593)</u>	<u>162,000</u>	<u>(14,698)</u>
TOTAL FUNDS	<u>1,751,274</u>	<u>(1,882,355)</u>	<u>162,000</u>	<u>30,919</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.

BROCKHAMPTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST AUGUST 2018

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 2016.

Contributions amounting to £11,140 were payable to the schemes at 31 August 2018 (2017 - £9,015) 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 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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

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 £57,583 (2017 - £45,804).

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 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.

BROCKHAMPTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST AUGUST 2018

21. PENSION AND SIMILAR OBLIGATIONS - continued

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions for the year ended 31 August 2018 was £49,315 (2017 - £ 44,324). Employer's contributions totalled £39,266 (2017 - £34,424) and employee's contributions totalled £10,049 (2017 - £9,900). The agreed contribution rates for future years are 12.8% 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 three years at an average of £7,400 per annum. It is anticipated that the recovery period is twelve years.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Present value of funded obligations	(484,000)	(442,000)
Fair value of plan assets	288,000	226,000
	<u>(196,000)</u>	<u>(216,000)</u>
Deficit	(196,000)	(216,000)
Liability	<u>(196,000)</u>	<u>(216,000)</u>

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

	Defined benefit pension plans	
	2018	2017
	£	£
Current service cost	61,000	62,000
Net interest from net defined benefit asset/liability	5,000	5,000
Administration expenses	1,000	1,000
	<u>67,000</u>	<u>68,000</u>
Actual return on plan assets	<u>16,000</u>	<u>29,000</u>

BROCKHAMPTON ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST AUGUST 2018**

21. PENSION AND SIMILAR OBLIGATIONS

- continued

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

	Defined benefit pension plans	
	2018	2017
	£	£
Defined benefit obligation	442,000	474,000
Current service cost	61,000	62,000
Contributions by scheme participants	10,000	10,000
Interest cost	11,000	9,000
Actuarial losses/(gains)	(40,000)	(85,000)
Benefits paid	-	(28,000)
	<u>484,000</u>	<u>442,000</u>

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

	Defined benefit pension plans	
	2018	2017
	£	£
Fair value of scheme assets	226,000	179,000
Contributions by employer	36,000	36,000
Contributions by scheme participants	10,000	10,000
Interest on plan assets	6,000	4,000
Actuarial gains/(losses)	11,000	26,000
Benefits paid	-	(28,000)
Assets administration costs	(1,000)	(1,000)
	<u>288,000</u>	<u>226,000</u>

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

	Defined benefit pension plans	
	2018	2017
	£	£
Actuarial gains/(losses) assets	11,000	26,000
Actuarial gains/(losses) obligations	40,000	85,000
	<u>51,000</u>	<u>111,000</u>

BROCKHAMPTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST AUGUST 2018

21. PENSION AND SIMILAR OBLIGATIONS - continued

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

	Defined benefit pension plans	
	2018	2017
	£	£
Equities	222,000	194,000
Government bonds	23,000	-
Other bonds	13,000	12,000
Property	14,000	9,000
Cash	6,000	3,000
Other	10,000	8,000
	<u>288,000</u>	<u>226,000</u>

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

	2018	2017
Discount rate	2.8%	2.5%
Increase in salaries	3.6%	3.7%
Rate of increase for pensions	2.2%	2.2%
Inflation assumption (CPI)	2.1%	2.2%

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:

	2018	2017
Retiring today		
Males	22.7	22.6
Females	25.7	25.6
Retiring in 20 years		
Males	24.9	24.8
Females	28.0	27.9

Sensitivity analysis

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

	2018 £'000	2017 £'000
Discount rate +0.1%	473	432
Mortality assumption - 1 year increase	493	450
CPI rate +0.1%	496	453
p.a. pay growth +0.1%	487	445

BROCKHAMPTON ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST AUGUST 2018**

22. CAPITAL COMMITMENTS

	2018	2017
	£	£
Contracted but not provided for in the financial statements	-	50,355

23. RELATED PARTY DISCLOSURES

During the year a payment of £300 was made in respect of a contribution to the staff Christmas meal in December 2017. The Governors agreed to reimburse the Academy the full cost. £200 remained outstanding at 31 August 2018 but has now been repaid.